

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

-----X	:	
	:	
<b>In re:</b>	:	
	:	<b>Chapter 11</b>
<b>COLDWATER CREEK INC., et al.,<sup>1</sup></b>	:	<b>Case No. 14- 10867</b> (____)
	:	
<b>Debtors.</b>	:	<b>(Joint Administration Requested)</b>
	:	
-----X		

**JOINT PLAN OF LIQUIDATION OF COLDWATER CREEK INC. AND ITS  
DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE**

---

Pauline K. Morgan (No. 3650)  
Kenneth J. Enos (No. 4544)  
**YOUNG CONAWAY  
STARGATT & TAYLOR, LLP**  
Rodney Square  
1000 North King Street  
Wilmington, Delaware 19801  
Telephone: (302) 571-6600  
Facsimile: (302) 571-1253

- and -

Douglas Bartner (*pro hac vice* admission pending)  
Jill Frizzley (*pro hac vice* admission pending)  
**SHEARMAN & STERLING LLP**  
599 Lexington Avenue  
New York, New York 10022  
Telephone: (212) 848-4000  
Facsimile: (646) 848-4000

*Proposed Co-Counsel to the Debtors and Debtors in Possession*

Dated: April 11, 2014

---

<sup>1</sup> The Debtors in these proceedings (including the last four digits of their respective taxpayer identification numbers) are: Coldwater Creek Inc. (9266), Coldwater Creek U.S. Inc. (8831), Aspenwood Advertising, Inc. (7427), Coldwater Creek The Spa Inc. (7592), CWC Rewards Inc. (5382), Coldwater Creek Merchandising & Logistics Inc. (3904) and Coldwater Creek Sourcing Inc. (8530). Debtor CWC Sourcing LLC has the following Idaho organizational identification number: W38677. The Debtors' corporate headquarters is located at One Coldwater Creek Drive, Sandpoint, Idaho 83864.

**TABLE OF CONTENTS**

ARTICLE I. DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME AND GOVERNING LAW ..... 1

    A. Defined Terms ..... 1

    B. Rules of Interpretation ..... 10

    C. Computation of Time ..... 11

    D. Governing Law ..... 11

    E. Reference to Monetary Figures ..... 11

    F. Reference to the Debtors or the Plan Administrator ..... 11

ARTICLE II. ADMINISTRATIVE CLAIMS, DIP FACILITY, ABL CLAIMS AND PRIORITY TAX CLAIMS ..... 11

    A. Administrative Claims ..... 11

    B. DIP Facility and ABL Claims ..... 12

    C. Priority Tax Claims ..... 12

    D. Statutory Fees ..... 13

ARTICLE III. CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS ..... 13

    A. Classification of Claims and Interests ..... 13

    B. Summary of Classification ..... 13

    C. Treatment of Claims and Interests ..... 13

    D. Special Provision Governing Claims that are Not Impaired ..... 16

    E. Acceptance or Rejection of the Plan ..... 16

    F. Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code ..... 16

    G. Subordinated Claims ..... 16

ARTICLE IV. MEANS FOR IMPLEMENTATION OF THE PLAN ..... 16

    A. Implementation of the Plan ..... 16

    B. Continuing Existence; Role of the Plan Administrator ..... 16

    C. Funding of Plan Administrator Reserve ..... 17

    D. Funding of the Plan ..... 17

    E. Direction to Parties ..... 17

    F. Cancellation of Equity Interests ..... 17

    G. Plan Administrator ..... 17

    H. Effectuating Documents; Further Transactions ..... 20

    I. Payment of Certain Professional Fees ..... 20

    J. Exemption from Certain Taxes and Fees ..... 20

ARTICLE V. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES ..... 20

    A. Assumption and Rejection of Executory Contracts and Unexpired Leases ..... 20

    B. Claims Based on Rejection of Executory Contracts or Unexpired Leases ..... 21

    C. Cure of Defaults for Executory Contracts and Unexpired Leases Assumed or Assumed and Assigned ..... 21

    D. Modifications, Amendments, Supplements, Restatements or Other Agreements ..... 22

    E. Reservation of Rights ..... 22

ARTICLE VI. PROVISIONS GOVERNING DISTRIBUTIONS ..... 22

    A. Timing and Calculation of Amounts to Be Distributed ..... 22

    B. Disbursing Agent ..... 22

    C. Rights and Powers of Disbursing Agent ..... 22

    D. Delivery of Distributions and Undeliverable or Unclaimed Distributions ..... 23

E.	Compliance with Tax Requirements .....	24
F.	Allocations .....	24
G.	Setoffs and Recoupment .....	24
H.	Claims Paid or Payable by Third Parties.....	24
ARTICLE VII. PROCEDURES FOR RESOLVING CONTINGENT, UNLIQUIDATED AND DISPUTED CLAIMS.....		25
A.	Allowance of Claims.....	25
B.	Claims Administration Responsibilities.....	25
C.	Estimation of Claims.....	25
D.	Reserve for Disputed Administrative Claims.....	26
E.	Adjustment to Claims Without Objection.....	26
F.	Time to File Objections to Claims .....	26
G.	Disallowance of Claims .....	26
H.	Amendments to Claims .....	26
I.	No Distributions Pending Allowance.....	26
J.	Distributions After Allowance .....	27
ARTICLE VIII. SETTLEMENT, RELEASE, INJUNCTION AND RELATED PROVISIONS .....		27
A.	Compromise and Settlement of Claims, Interests and Controversies .....	27
B.	Release of Liens .....	27
C.	Releases by the Debtors .....	27
D.	Releases by Holders .....	28
E.	Liabilities to, and Rights of, Governmental Units.....	28
F.	Exculpation .....	29
G.	Injunction .....	29
H.	Term of Injunctions or Stays.....	30
ARTICLE IX. CONDITIONS PRECEDENT TO CONFIRMATION AND CONSUMMATION OF THE PLAN.....		30
A.	Conditions Precedent to Confirmation.....	30
B.	Conditions Precedent to the Effective Date .....	30
C.	Waiver of Conditions .....	31
D.	Effect of Failure of Conditions .....	31
ARTICLE X. MODIFICATION, REVOCATION OR WITHDRAWAL OF THE PLAN .....		31
A.	Modification and Amendments.....	31
B.	Effect of Confirmation on Modifications.....	31
C.	Revocation or Withdrawal of Plan.....	31
ARTICLE XI. RETENTION OF JURISDICTION.....		31
ARTICLE XII. MISCELLANEOUS PROVISIONS .....		33
A.	Immediate Binding Effect.....	33
B.	Additional Documents .....	33
C.	Statutory Committee and Cessation of Fee and Expense Payment.....	33
D.	Reservation of Rights.....	34
E.	Successors and Assigns.....	34
F.	Notices .....	34
G.	Entire Agreement .....	35
H.	Exhibits .....	35
I.	Severability of Plan Provisions .....	35
J.	Votes Solicited in Good Faith.....	35

K.	Closing of Chapter 11 Cases .....	35
L.	Conflicts .....	36

## INTRODUCTION

Coldwater Creek Inc. (“*Coldwater*”) and its debtor affiliates, as debtors and debtors in possession (each, a “*Debtor*” and, collectively, the “*Debtors*”) propose this joint plan of liquidation (the “*Plan*”) pursuant to chapter 11 of the Bankruptcy Code.<sup>2</sup> This Plan constitutes a separate chapter 11 plan for each Debtor and, unless otherwise explained herein, the classifications and treatment of Claims and Interests apply to each individual Debtor.

The Plan provides for the liquidation and conversion of all of the Debtors’ remaining assets to Cash and the Distribution of the net proceeds realized therefrom to creditors holding Allowed Claims in accordance with the relative priorities established in the Bankruptcy Code. The Plan contemplates the appointment of a Plan Administrator to, among other things, resolve Disputed Claims, implement the terms of the Plan and make Distributions.

Holders of Claims and Interests should refer to the Disclosure Statement for a discussion of the Debtors’ history, businesses, assets, results of operations and historical financial information, as well as a summary and description of this Plan.

## ARTICLE I. DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME AND GOVERNING LAW

### A. *Defined Terms*

As used in this Plan, capitalized terms have the meanings ascribed to them below.

1. “*ABL Agent*” means Wells Fargo Bank, National Association, in its respective capacities as administrative agent and collateral agent under the ABL Credit Agreement.

2. “*ABL Claim*” means a Secured Claim in the amount of [\$ \_\_\_\_] derived from, based upon, relating to or arising from the ABL Credit Agreement.

3. “*ABL Credit Agreement*” means that certain Amended and Restated Senior Secured Credit Agreement dated as of May 16, 2011, as amended by that certain First Amendment to Amended and Restated Credit Agreement dated as of July 9, 2012 by and among Coldwater Creek U.S. Inc., as lead borrower, the other borrowers thereto, the guarantors party thereto, the lenders party thereto and the ABL Agent.

4. “*ABL Lender*” means Wells Fargo Bank, National Association, in its capacity as lender under the ABL Credit Agreement.

5. “*Accrued Professional Compensation*” means, at any given time, all accrued, contingent and/or unpaid fees and expenses for legal, financial advisory, accounting and other services and reimbursement of expenses that are awardable and allowable under sections 328, 330, 331 or 1103 of the Bankruptcy Code or otherwise rendered allowable before the Effective Date by any retained Professional in the Chapter 11 Cases, or that are awardable and allowable under section 503 of the Bankruptcy Code, that the Bankruptcy Court has not denied by Final Order, (a) to the extent that any such fees and expenses have not been previously paid and (b) after applying any retainer that has been provided to such Professional. To the extent that the Bankruptcy Court or any higher court of competent jurisdiction denies or reduces by a Final Order any amount of a Professional’s fees or expenses, then those reduced or denied amounts shall no longer constitute Accrued Professional Compensation.

---

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in Article I.A.

6. “**Administrative Claim**” means any Claim for costs and expenses of administration pursuant to sections 503(b), 507(a)(2), 507(b) or 1114(e)(2) of the Bankruptcy Code, in all instances subject to the Administrative Claims Cap, including: (a) the actual and necessary costs and expenses incurred after the Petition Date and through the Effective Date of preserving the Estates and operating the businesses of the Debtors; (b) all fees and charges assessed against the Estates pursuant to section 1930 of chapter 123 of the Judicial Code; (c) all Claims for Accrued Professional Compensation; and (d) all requests for compensation or expense reimbursement for making a substantial contribution in the Chapter 11 Cases pursuant to sections 503(b)(3), (4) and (5) of the Bankruptcy Code.

7. “**Administrative Claims Bar Date**” means the date by which all requests for payment of Administrative Claims must be Filed and served on the Plan Administrator pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order, which date shall be 30 days after the Effective Date.

8. “**Administrative Claims Cap**” means \$9 million, which shall be the maximum amount of Allowed Administrative Claims, including Claims for Accrued Professional Compensation, incurred but not yet paid as of the Effective Date, excluding Priority Non-Tax Claims, Priority Tax Claims, Other Secured Claims.

9. “**Affiliate**” has the meaning set forth in section 101(2) of the Bankruptcy Code.

10. “**Allowed**” means with respect to any Claim, except as otherwise provided herein: (a) a Claim that is scheduled by the Debtors as neither disputed, contingent nor unliquidated and for which no Proof of Claim, objection or request for estimation has been timely Filed on or before any applicable objection deadline (including the Claims Objection Deadline), if any, set by the Bankruptcy Court or the expiration of such other applicable period fixed by the Bankruptcy Court; (b) a Claim that is not a Disputed Claim on or before the Claims Objection Deadline (as the same may be extended from time to time) or has been allowed by a Final Order; (c) a Claim that is allowed (i) pursuant to the terms of the Plan, (ii) in any stipulation that is approved by the Bankruptcy Court or (iii) pursuant to any contract, instrument, indenture or other agreement entered into or assumed in connection herewith; or (d) any Claim that is compromised, settled or otherwise resolved pursuant to the authority granted to the Debtors or the Plan Administrator, as the case may be, pursuant to a Final Order of the Bankruptcy Court; *provided, however*, that Claims allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Bankruptcy Court shall not be considered “Allowed Claims” hereunder. Except for any Claim that is expressly Allowed herein, any Claim that has been or is hereafter listed in the Schedules as contingent, unliquidated or disputed and for which no Proof of Claim has been Filed is not considered Allowed and shall be deemed expunged upon entry of the Confirmation Order.

11. “**Assumed Executory Contract and Unexpired Lease List**” means the list (as may be amended), if any, as determined by the Debtors or the Debtors’ agent, with the consent of the Term Loan Lenders, of Executory Contracts and Unexpired Leases (including any amendments or modifications thereto) that will be assumed or assumed and assigned pursuant to the provisions of Article V and which shall be included in the Plan Supplement.

12. “**Available Cash**” means all Cash of the Debtors and their Estates on and after the Effective Date, as collected or realized from time to time, including the proceeds of any Causes of Action and asset liquidation sales in accordance with the Store Closing Approval Order, which shall be placed in the Coldwater Segregated Fund for distribution in accordance with Article III. For the avoidance of doubt, Available Cash shall not be (a) used to satisfy Administrative Claims, Priority Tax Claims, Priority Non-Tax Claims or Other Secured Claims or (b) include the amounts set aside with respect to the Plan Administrator Reserve; *provided, however*, that to the extent that there is Cash remaining in the Plan Administrator Reserve on the Final Distribution Date, such Cash shall be deemed Available Cash and distributed to Holders of Allowed Claims in accordance with the respective priorities set forth in the Plan.

13. “**Avoidance Actions**” means any and all Causes of Action to avoid a transfer of property or an obligation incurred by the Debtor pursuant to any applicable section of the Bankruptcy Code, including sections 544, 545, 547, 548, 549, 550, 551, 553(b), and 724(a) of the Bankruptcy Code or under similar or related state or federal statutes and common law, including fraudulent transfer laws.

14. **"Bankruptcy Code"** means chapter 11 of title 11 of the United States Code.
15. **"Bankruptcy Court"** means the United States Bankruptcy Court for the District of Delaware having jurisdiction over the Chapter 11 Cases or any other court having jurisdiction over the Chapter 11 Cases, including, to the extent of the withdrawal of the reference under 28 U.S.C. § 157, the United States District Court for the District of Delaware.
16. **"Bankruptcy Rules"** means the Federal Rules of Bankruptcy Procedure promulgated under section 2075 of the Judicial Code and the general, local and chambers rules of the Bankruptcy Court.
17. **"Business Day"** means any day, other than a Saturday, Sunday or "legal holiday" (as defined in Bankruptcy Rule 9006(a)(6)).
18. **"Cash"** means the legal tender of the United States of America.
19. **"Causes of Action"** means any action, claim, cause of action, controversy, demand, right, action, Lien, indemnity, guaranty, suit, obligation, liability, damage, judgment, account, defense, offset, power, privilege, license and franchise of any kind or character whatsoever, known, unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively, whether arising before, on or after the Petition Date, in contract or in tort, in law or in equity, or pursuant to any other theory of law. Causes of Action also include: (a) any right of setoff, counterclaim or recoupment and any claim for breaches of duties imposed by law or in equity; (b) the right to object to Claims or Interests; (c) any claim pursuant to sections 362 or chapter 5 of the Bankruptcy Code; (d) any claim or defense including fraud, mistake, duress and usury and any other defenses set forth in section 558 of the Bankruptcy Code; and (e) any state law fraudulent transfer claim.
20. **"Chapter 11 Cases"** means (a) when used with reference to a particular Debtor, the case pending for that Debtor under chapter 11 of the Bankruptcy Code and (b) when used with reference to all Debtors, the procedurally consolidated chapter 11 cases pending for the Debtors in the Bankruptcy Court under case number 14-\_\_\_\_\_ ( ).
21. **"Claim"** means any claim, as such term is defined in section 101(5) of the Bankruptcy Code, against a Debtor.
22. **"Claims Bar Date"** means the date or dates to be established by the Bankruptcy Court by which Proofs of Claim must be Filed.
23. **"Claims Objection Deadline"** means the later of (a) 60 days after the Effective Date, (b) such other period of limitation as may be specifically fixed by an order of the Bankruptcy Court for objecting to certain Claims or (c) with respect to Claims Filed by Governmental Units, 210 days after the Petition Date.
24. **"Claims Register"** means the official register of Claims maintained by the Notice, Claims and Balloting Agent.
25. **"Class"** means a class of Claims or Interests as set forth in Article III pursuant to section 1122(a) of the Bankruptcy Code.
26. **"Coldwater"** means Coldwater Creek Inc., the direct or indirect parent of each of the other Debtors.
27. **"Coldwater Segregated Fund"** means that certain segregated account created as of the Effective Date, which account shall be funded with all Available Cash of the Debtors and their Estates as of and after the Effective Date and from which distributions shall be made in accordance with Article III and the terms hereof.

28. “**Confirmation**” means the entry of the Confirmation Order on the docket of the Chapter 11 Cases, subject to all conditions specified in Article IX.A having been satisfied or waived pursuant to Article IX.C.

29. “**Confirmation Date**” means the date upon which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases, within the meaning of Bankruptcy Rules 5003 and 9021.

30. “**Confirmation Hearing**” means the confirmation hearing held by the Bankruptcy Court pursuant to section 1129 of the Bankruptcy Code, as such hearing may be continued from time to time.

31. “**Confirmation Order**” means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

32. “**Consummation**” means the occurrence of the Effective Date.

33. “**Creditors’ Committee**” means the statutory committee of unsecured creditors, if any, appointed by the U.S. Trustee in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code, as may be reconstituted from time to time.

34. “**Cure Claim**” means a Claim, if any, based upon a Debtor’s default under an Executory Contract or Unexpired Lease at the time such contract or lease is assumed or assumed and assigned by the Debtor, or the Debtors’ agent, pursuant to section 365 of the Bankruptcy Code.

35. “**Cure Notice**” means a notice, if any, of a proposed amount to be paid on account of a Cure Claim in connection with an Executory Contract or Unexpired Lease to be assumed or assumed and assigned by the Debtors, or the Debtors’ agent, under the Plan pursuant to section 365 of the Bankruptcy Code, which notice shall include (a) procedures for objecting to proposed assumptions of Executory Contracts and Unexpired Leases, (b) Cure Claims to be paid in connection therewith and (c) procedures for resolution by the Bankruptcy Court of any related disputes, subject in all respect to the Store Closing Approval Order.

36. “**Debtor**” means one or more of the Debtors, as debtors and debtors in possession, each in its respective individual capacity as a debtor and debtor in possession in the Chapter 11 Cases.

37. “**Debtors**” means, collectively: (a) Coldwater; (b) Coldwater Creek U.S. Inc.; (c) Coldwater Creek The Spa Inc.; (d) Coldwater Creek Merchandising & Logistics Inc.; (e) Aspenwood Advertising, Inc.; (f) CWC Rewards Inc.; (g) Coldwater Creek Sourcing Inc.; and (h) CWC Sourcing LLC.

38. “**Deferred Counterparty**” means a counterparty to an Executory Contract or Unexpired Lease that is included on the Deferred Executory Contract and Unexpired Lease List.

39. “**Deferred Executory Contract and Unexpired Lease Deadline**” means the deadline by which the Plan Administrator or the Plan Administrator’s Agent must determine whether to assume, assume and assign or reject the Executory Contracts and Unexpired Leases included on the Deferred Executory Contract and Unexpired Lease List pursuant to the provisions of Article V and which shall be included in the Plan Supplement.

40. “**Deferred Executory Contract and Unexpired Lease List**” means the list (as may be amended), as determined by the Debtors or the Debtors’ agent, with the consent of the Term Loan Lenders, of Executory Contracts and Unexpired Leases (including any amendments or modifications thereto) for which the decision to assume, assume and assign or reject will be deferred pursuant to the provisions of Article V and which shall be included in the Plan Supplement.

41. “**DIP Agent**” means Wells Fargo Bank, National Association, in its respective capacities as administrative agent and collateral agent under the DIP Facility Credit Agreement, together with its respective successors and assigns in such capacities.



42. “**DIP Facility**” means that senior secured superpriority debtor-in-possession credit facility, comprised of a revolving credit facility in an aggregate amount that, when aggregated with the revolving exposure outstanding under the ABL Credit Agreement, shall not exceed \$75,000,000.

43. “**DIP Facility Claim**” means any Claim derived from, based upon, relating to or arising from the DIP Facility Credit Agreement.

44. “**DIP Facility Credit Agreement**” means the agreement governing the DIP Facility, dated as of April 10, 2013 among the Debtors, the DIP Agent and the DIP Lender (as amended, restated, supplemented or otherwise modified from time to time), as well as any other documents entered into in connection therewith.

45. “**DIP Facility Lenders**” means the banks, financial institutions and other lenders party to the DIP Facility Credit Agreement from time to time.

46. “**DIP Order**” means any interim order (or orders) and the final order of the Bankruptcy Court, each in form and substance acceptable to the DIP Facility Lenders, authorizing, *inter alia*, the Debtors to enter into the DIP Facility Credit Agreement and incur postpetition obligations thereunder.

47. “**Disbursing Agent**” means the Debtors and/or the Plan Administrator, or the Entity or Entities selected by the Debtors and/or the Plan Administrator, with the consent of the Term Loan Lenders, and identified in the Plan Supplement, as applicable, to make or facilitate distributions contemplated under the Plan.

48. “**Disclosure Statement**” means the *Disclosure Statement for the Joint Plan of Liquidation of Coldwater Creek Inc. and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code*, dated April 11, 2014 as amended, supplemented or modified from time to time, including all exhibits and schedules thereto and references therein that relate to the Plan, and that is prepared and distributed in accordance with the Bankruptcy Code, the Bankruptcy Rules and any other applicable law.

49. “**Disputed**” means, with respect to any Claim or Interest, any Claim or Interest that is (a) disputed under the Plan, or subject, or potentially subject, to a timely objection and/or request for estimation in accordance with section 502(c) of the Bankruptcy Code and Bankruptcy Rule 3018, which objection and/or request for estimation has not been withdrawn or determined by a Final Order, (b) improperly asserted, by the untimely or otherwise improper filing of a Proof of Claim as required by order of the Bankruptcy Court or (c) that is disallowed pursuant to section 502(d) of the Bankruptcy Code. A Claim or Administrative Claim that is Disputed as to its amount shall not be Allowed in any amount for purposes of distribution until it is no longer a Disputed Claim.

50. “**Distribution**” means any distribution provided for in the Plan by the Debtors or the Plan Administrator, as applicable, to Holders of Allowed Claims in full or partial satisfaction of such Allowed Claims.

51. “**Distribution Dates**” means, collectively, the First Distribution Date, any Subsequent Distribution Date and the Final Distribution Date.

52. “**Distribution Record Date**” means the date that is the Confirmation Date.

53. “**Effective Date**” means the date selected by the Debtors, with the consent of the Term Loan Lenders, that is a Business Day after the Confirmation Date on which (a) the conditions to the occurrence of the Effective Date have been met or waived pursuant to Article IX.B and Article IX.C and (b) no stay of the Confirmation Order is in effect.

54. “**Entity**” means an entity as such term is defined in section 101(15) of the Bankruptcy Code.

55. “**Estate**” means, as to each Debtor, the estate created for the Debtor in its Chapter 11 Case pursuant to section 541 of the Bankruptcy Code.

56. ***“Exculpated Claim”*** means any Claim related to any act or omission derived from, based upon, related to or arising from the Debtors’ in or out-of-court restructuring efforts, the Chapter 11 Cases, the liquidation of assets, formulation, preparation, dissemination, negotiation, filing, confirmation, approval, implementation or administration of the Plan Support Agreement, the Disclosure Statement, the Plan (including any term sheets related thereto), the property to be distributed under the Plan or any contract, instrument, release or other agreement or document created or entered into in connection with the Plan Support Agreement, Disclosure Statement, the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation and Consummation and the administration and implementation of the Plan, or the distribution of property under the Plan or any other related agreement.

57. ***“Exculpated Party”*** means each of: (a) the Debtors; (b) the ABL Lender; (c) the ABL Agent; (d) the Term Loan Lenders; (e); the Term Loan Agent; (f) the DIP Facility Lenders; (g) the DIP Agent; (h) Holders of Series A Preferred Stock and/or any shares of common stock into which any such shares of Series A Preferred Stock have been converted; (i) CC Holdings Agency Corporation, CC Holdings of Delaware, LLC - Series A, and CC Holdings of Delaware, LLC - Series B, each in all respective capacities; and (j) with respect to the entities in clauses (a) through (i), such entity’s predecessors, successors and assigns, subsidiaries, affiliates, beneficial owners, managed accounts or funds, current and former officers, directors, principals, shareholders, direct and indirect equity holders, members, partners (general and limited), employees, agents, advisory board members, financial advisors, attorneys, accounts, investment bankers, consultants, representatives, management companies, fund advisors and other Professionals.

58. ***“Executory Contract”*** means a contract to which one or more of the Debtors is a party and that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

59. ***“Federal Judgment Rate”*** means the federal judgment rate in effect as of the Petition Date.

60. ***“Fee Claim”*** means a Claim for Accrued Professional Compensation.

61. ***“File”*** or ***“Filed”*** means file or filed with the Bankruptcy Court or its authorized designee in the Chapter 11 Cases.

62. ***“Final Distribution Date”*** means the date(s) on which a final Distribution of (a) Available Cash from the Coldwater Segregated Fund to Holders of Allowed Claims entitled to Distributions therefrom and/or (b) Cash from the Plan Administrator Reserve for satisfaction of Allowed Administrative, Priority Non-Tax, Priority Tax and Other Secured Claims. The Final Distribution Date(s) shall be one or more dates, as determined by the Plan Administrator, with the consent of the Term Loan Lenders, which is after the liquidation into Cash of all assets of the Debtors (other than those assets abandoned by the Debtors or the Plan Administrator, as applicable) and the collection of other sums due or otherwise remitted or returned to the Estates.

63. ***“Final Order”*** means, as applicable, an order or judgment of the Bankruptcy Court or other court of competent jurisdiction with respect to the relevant subject matter, which has not been reversed, stayed, modified or amended, and as to which the time to appeal or seek certiorari has expired and no appeal or petition for certiorari has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be filed has been resolved by the highest court to which the order or judgment could be appealed or from which certiorari could be sought or the new trial, reargument or rehearing shall have been denied, resulted in no modification of such order or has otherwise been dismissed with prejudice.

64. ***“First Distribution Date”*** means, with respect to a Claim that is Allowed as of the Effective Date, the Effective Date or the date that is as soon as reasonably practicable after the Effective Date.

65. ***“General Unsecured Claim”*** means any Unsecured Claim, including any claim arising from the rejection of an Unexpired Lease or Executory Contract, which is not an Intercompany Claim.

66. ***“Holder”*** means any Entity holding, or deemed to be holding under applicable law the beneficial or economic interest or rights in, a Claim or Interest.

67. **“Impaired”** means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is impaired within the meaning of section 1124 of the Bankruptcy Code.

68. **“Intercompany Claim”** means any Claim held by a Debtor or non-debtor Affiliate against another Debtor or non-debtor Affiliate.

69. **“Intercompany Interest”** means an Interest in a Debtor or non-debtor Affiliate held by another Debtor or non-Debtor Affiliate.

70. **“Interests”** means any equity security in a Debtor as defined in section 101(16) of the Bankruptcy Code, including all issued, unissued, authorized or outstanding shares of capital stock of the Debtors together with any warrants, options or other rights to purchase or acquire such equity securities at any time and all rights arising with respect thereto.

71. **“Interim Compensation Order”** means the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals* [Docket No. \_\_\_\_].

72. **“Judicial Code”** means title 28 of the United States Code, 28 U.S.C. §§ 1–4001.

73. **“Lien”** means a lien as defined in section 101(37) of the Bankruptcy Code.

74. **“Net Available Funds”** means any Available Cash remaining in the Coldwater Segregated Fund after full and final satisfaction of the Term Loan Claims.

75. **“Notice, Claims and Balloting Agent”** means Prime Clerk LLC.

76. **“Ordinary Course Professional Order”** means the *Order Authorizing the Employment and Compensation of Certain Professionals in the Ordinary Course of Business* [Docket No. \_\_\_\_].

77. **“Other Secured Claim”** means any Secured Claim that is not a DIP Facility Claim, an ABL Claim or a Term Loan Claim.

78. **“Other Secured Claims Cap”** means \$200,000, which shall be the maximum amount of Allowed Other Secured Claims incurred but not yet paid as of the Effective Date.

79. **“Person”** means a person as such term as defined in section 101(41) of the Bankruptcy Code.

80. **“Petition Date”** means April 11, 2014, the date on which each of the Debtors commenced the Chapter 11 Cases.

81. **“Plan”** means this *Joint Plan of Liquidation of Coldwater Creek Inc. and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code*, including the Plan Supplement (as modified, amended or supplemented from time to time), which is incorporated herein by reference.

82. **“Plan Administrator”** means the Person or Entity, or any successor thereto, designated by the Debtors, with the consent of the Term Loan Lenders, pursuant to Article IV, with the powers of a trustee and as representative of the Debtors and their Estates from and after the Effective Date for purposes of administering and consummating the Plan as provided for herein.

83. **“Plan Administrator Reserve”** means a reserve to be established, maintained and withheld from the Distribution, in an amount to be determined by the Debtors and the Term Loan Lenders and used to fund, (a) the effectuation and consummation of the Plan, (b) the resolution of Disputed Administrative, Priority Non-Tax and Other Secured Claims and the payment in full, if necessary, of any Disputed Administrative, Priority Non-Tax and Other Secured Claims that become an Allowed, subject to the Administrative, Priority Non-Tax and Other Secured Claims Caps, (c) the investigation and prosecution of Causes of Action (including any Avoidance Actions) not

otherwise released pursuant to the Plan, (d) the payment of Priority Tax Claims, and the resolution of any disputes related to Priority Tax Claims, (e) the payment of the fees and expenses of the Plan Administrator, (f) the payment of court fees and the fees of the United States Trustee for the District of Delaware under 28 U.S.C. §1930 and (h) subject to the Wind-Down Budget, the payment of the fees and expenses incurred in connection with the wind-down of the Debtors' businesses.

84. **"Plan Supplement"** means the compilation of documents and forms of documents, schedules and exhibits to the Plan to be Filed no later than seven days before the Confirmation Hearing, which documents shall be in form and substance acceptable to the Term Loan Lenders, on notice to parties in interest, and additional documents Filed before the Effective Date as supplements or amendments to the Plan Supplement (all in form and substance acceptable to the Term Loan Lenders). The Debtors shall have the right to amend the documents contained in, and exhibits to, the Plan Supplement through the Effective Date with the consent of the Term Loan Lenders.

85. **"Plan Support Agreement"** means the agreement, effective as of April 11, 2014 by and among the Debtors, the Term Loan Lenders and the ABL Agent, pursuant to which such parties agreed (subject to certain conditions specified therein) to support the Plan.

86. **"Priority Non-Tax Claims"** means any Claim, other than an Administrative Claim or a Priority Tax Claim, entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.

87. **"Priority Non-Tax Claims Cap"** means \$200,000, which shall be the maximum amount of Allowed Priority Non-Tax Claims incurred but not yet paid as of the Effective Date.

88. **"Priority Tax Claim"** means any Claim of the kind specified in section 507(a)(8) of the Bankruptcy Code.

89. **"Professional"** means an Entity: (a) employed pursuant to a Bankruptcy Court order in accordance with sections 327, 363 or 1103 of the Bankruptcy Code and to be compensated for services rendered before or on the Confirmation Date, pursuant to sections 327, 328, 329, 330, 331 and 363 of the Bankruptcy Code; or (b) awarded compensation and reimbursement by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code.

90. **"Proof of Claim"** means a written proof of Claim Filed against any of the Debtors in the Chapter 11 Cases.

91. **"Pro Rata"** means the proportion that (a) an Allowed Claim in a particular Class bears to the aggregate amount of all Allowed Claims in that Class or (b) Allowed Claims in a particular Class bear to the aggregate amount of Allowed Claims in a particular Class and other Classes entitled to share in the same recovery as such Allowed Claim under the Plan.

92. **"Rejected Executory Contract and Unexpired Lease List"** means the list (as may be amended), as determined by the Debtors, with the consent of the Term Loan Lenders, of Executory Contracts and Unexpired Leases (including any amendments or modifications thereto) that will be rejected pursuant to the provisions of Article V and which shall be included in the Plan Supplement.

93. **"Rejection Claim"** means a Claim arising from the rejection of an Executory Contract or Unexpired Lease pursuant to section 365 of the Bankruptcy Code.

94. **"Rejection Procedures Order"** means the *Order Establishing Procedures for the Rejection of Executory Contracts and Unexpired Leases of Nonresidential Real Property* [Docket No. \_\_\_\_].

95. **"Released Party"** means each of: (a) the Debtors; (b) the ABL Lender; (c) the ABL Agent; (d) the Term Loan Lenders; (e); the Term Loan Agent; (f) the DIP Facility Lenders; (g) the DIP Agent; (h) Holders of Series A Preferred Stock and/or any shares of common stock into which any such shares of Series A Preferred Stock

have been converted; (i) CC Holdings Agency Corporation, CC Holdings of Delaware, LLC - Series A, and CC Holdings of Delaware, LLC - Series B, each in all respective capacities; and (j) with respect to the entities in clauses (a) through (i), such entity's predecessors, successors and assigns, subsidiaries, affiliates, beneficial owners, managed accounts or funds, current and former officers, directors, principals, shareholders, direct and indirect equity holders, members, partners (general and limited), employees, agents, advisory board members, financial advisors, attorneys, accounts, investment bankers, consultants, representatives, management companies, fund advisors and other Professionals.

96. "**Schedules**" means, collectively, the schedules of assets and liabilities, schedules of Executory Contracts and Unexpired Leases and statements of financial affairs Filed by the Debtors pursuant to section 521 of the Bankruptcy Code, as such schedules may be amended, modified or supplemented from time to time.

97. "**Secured**" means when referring to a Claim: (a) secured by a Lien on property in which the Estate has an interest, which Lien is valid, perfected and enforceable pursuant to applicable law or by reason of a Bankruptcy Court order, or that is subject to setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the creditor's interest in the Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code; or (b) Allowed as such pursuant to the Plan.

98. "**Securities Act**" means the Securities Act of 1933, 15 U.S.C. §§ 77a-77aa, as amended, together with the rules and regulations promulgated thereunder.

99. "**Securities Exchange Act**" means the Securities Exchange Act of 1934, 15 U.S.C. §§ 78a-78nn, as amended.

100. "**Security**" means a security as defined in section 2(a)(1) of the Securities Act.

101. "**Series A Preferred Stock**" means any Convertible Series A Preferred Stock of Coldwater Creek Inc. issued pursuant to that certain Certificate of Designation of Preferences of Convertible Series A Preferred Stock, that certain Stock Purchase and Investor Rights Agreement, dated as of July 9, 2012 and that certain Registration Rights Agreement, dated as of July 9, 2012.

102. "**Store Closing Approval Order**" means the *Debtors' Motion for Orders (I)(A) Authorizing Entry into Agency Agreement, (B) Authorizing Bidding Protections, (C) Authorizing Bidding Procedures and Auction and (D) Scheduling Sale Hearing and Approving Notice Thereof, (II) Authorizing (A) Sale of Assets and (B) Store Closing Sales and (III) Granting Related Relief* [Docket No. [\_\_\_]].

103. "**Subsequent Distribution Date**" means any date, as determined by the Plan Administrator, with the consent of the Term Loan Lenders, which is after the First Distribution Date and prior to the Final Distribution Date, on which the Plan Administrator commences a Distribution to Holders of Allowed Claims pursuant to the Plan.

104. "**Tax**" means (a) any net income, alternative or add-on minimum, gross income, gross receipts, sales, use, ad valorem, value added, transfer, franchise, profits, license, property, environmental or other tax, assessment or charge of any kind whatsoever (together in each instance with any interest, penalty, addition to tax or additional amount) imposed by any federal, state or local taxing authority or (b) any liability for payment of any amounts of the foregoing types as a result of being a member of an affiliated, consolidated, combined or unitary group, or being a party to any agreement or arrangement whereby liability for payment of any such amounts is determined by reference to the liability of any other entity.

105. "**Term Loan Agent**" means CC Holdings Agency Corporation, in its capacities as administrative agent and collateral agent under the Term Loan Credit Agreement.

106. "**Term Loan Claims**" means Secured Claims in the aggregate amount of \$96,522,530.35, plus any interest, fees, costs, and expenses accrued but unpaid pursuant to the Term Loan Credit Agreement.

107. “**Term Loan Credit Agreement**” means that certain Term Loan Agreement dated as of July 9, 2012 by and among Coldwater Creek U.S. Inc., as lead borrower, the other borrowers thereto, the guarantors party thereto, the Term Loan Lenders and the Term Loan Agent.

108. “**Term Loan Lenders**” means, collectively, CC Holdings of Delaware, LLC - Series A and CC Holdings of Delaware, LLC - Series B, in their capacity as lenders under the Term Loan Credit Agreement.

109. “**Unexpired Lease**” means a lease to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

110. “**Unimpaired**” means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is not impaired within the meaning of section 1124 of the Bankruptcy Code.

111. “**Unsecured Claim**” means any Claim that is neither Secured nor entitled to priority under the Bankruptcy Code or an order of the Bankruptcy Court.

112. “**U.S. Trustee**” means the Office of the United States Trustee for the District of Delaware.

113. “**Voting Deadline**” means 4:00 p.m. (prevailing Eastern Time) on July 11, 2014.

114. “**Wind-Down Budget**” means a budget, as determined by the Debtors and the Term Loan Lenders, for all wind-down costs and expenses relating to winding down the Estates after the Effective Date, which budget shall be Filed with the Plan Supplement.

*B. Rules of Interpretation*

For purposes of the Plan: (1) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and the neuter gender; (2) any reference herein to a contract, lease, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (3) any reference herein to an existing document, schedule or exhibit, whether or not Filed, having been Filed or to be Filed shall mean that document, schedule or exhibit, as it may thereafter be amended, modified or supplemented; (4) any reference to an Entity as a holder of a Claim or Interest includes that Entity’s successors and assigns; (5) unless otherwise specified, all references herein to “Articles” are references to Articles hereof or hereto; (6) unless otherwise specified, all references herein to exhibits are references to exhibits in the Plan Supplement; (7) unless otherwise specified, the words “herein,” “hereof” and “hereto” refer to the Plan in its entirety rather than to a particular portion of the Plan; (8) subject to the provisions of any contract, certificate of incorporation, bylaw, instrument, release or other agreement or document entered into in connection with the Plan, the rights and obligations arising pursuant to the Plan shall be governed by, and construed and enforced in accordance with the applicable federal law, including the Bankruptcy Code and the Bankruptcy Rules; (9) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (10) unless otherwise specified herein, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (11) all references to docket numbers of documents Filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court’s CM/ECF system; (12) all references to statutes, regulations, orders, rules of courts and the like shall mean as amended from time to time, and as applicable to the Chapter 11 Cases, unless otherwise stated; and (13) any immaterial effectuating provisions may be interpreted by the Plan Administrator in such a manner that is consistent with the overall purpose and intent of the Plan all without further Bankruptcy Court order.

From and after the indefeasible payment in full in Cash of the Allowed Term Loan Claims, any provision of the Plan requiring the Term Loan Lenders’ consent shall no longer be applicable or of any force or effect.

C. *Computation of Time*

Unless otherwise specifically stated herein, the provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein.

D. *Governing Law*

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of New York, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction and implementation of the Plan, any agreements, documents, instruments or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control); *provided, however*, that corporate governance matters relating to the Debtors or the Plan Administrator, as applicable, not incorporated in New York shall be governed by the laws of the state or province of incorporation of the applicable Debtor or the Plan Administrator, as applicable.

E. *Reference to Monetary Figures*

All references in the Plan to monetary figures shall refer to currency of the United States of America, unless otherwise expressly provided.

F. *Reference to the Debtors or the Plan Administrator*

Except as otherwise specifically provided in the Plan to the contrary, references in the Plan to the Debtors or the Plan Administrator shall mean the Debtors and the Plan Administrator, as applicable, to the extent the context requires.

## ARTICLE II.

### ADMINISTRATIVE CLAIMS, DIP FACILITY, ABL CLAIMS AND PRIORITY TAX CLAIMS

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, DIP Facility Claims, ABL Claims and Priority Tax Claims have not been classified and, thus, are excluded from the Classes of Claims and Interests set forth in Article III.

A. *Administrative Claims*

1. Administrative Claims

Except with respect to Administrative Claims that are Fee Claims and except to the extent that a holder of an Allowed Administrative Claim and the Debtors, with the consent of the Term Loan Lenders, agree to less favorable treatment with respect to such holder, each holder of an Allowed Administrative Claim shall be paid in full in Cash on or as soon as reasonably practicable after the Effective Date. Such Claims shall be paid as soon as reasonably practicable after the reconciliation of all Disputed Administrative Claims; *provided, however*, that the Plan Administrator shall pay Entities in the ordinary course of business for any work performed on and after the Effective Date in furtherance of the Plan or as authorized hereunder, in each case subject to the Administrative Claims Cap and the Wind-Down Budget, as applicable. Notwithstanding the foregoing, no request for payment of an Administrative Claim need be Filed with respect to an Administrative Claim previously Allowed by Final Order.

2. Professional Compensation

(a) *Fee Claims*

Professionals asserting a Fee Claim for services rendered before the Effective Date must File and serve on the Debtors and such other Entities who are designated by the Bankruptcy Rules, the Confirmation Order, the Interim Compensation Order or any other applicable order of the Bankruptcy Court, an application for final

allowance of such Fee Claim no later than 30 days after the Effective Date; *provided, however*, that any Professional who may receive compensation or reimbursement of expenses pursuant to the Ordinary Course Professional Order may continue to receive such compensation or reimbursement of expenses for services rendered before the Effective Date, without further Bankruptcy Court order, pursuant to the Ordinary Course Professional Order and consistent with the DIP Budget. Objections to any Fee Claim must be Filed and served on the Plan Administrator and the requesting party no later than 50 days after the Effective Date.

(b) *Post-Effective Date Fees and Expenses*

Except as otherwise specifically provided in the Plan, from and after the Effective Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Plan Administrator may employ and, subject to the Wind-Down Budget, pay any Professional for services rendered or expenses incurred after the Effective Date in the ordinary course of business without any further notice to any party or action, order or approval of the Bankruptcy Court.

3. Administrative Claim Bar Date

Except as otherwise provided in this Article II.A, requests for payment of Administrative Claims must be Filed on or before the Administrative Claims Bar Date. Holders of Administrative Claims that are required to, but do not, File and serve a request for payment of such Administrative Claims by such date shall be forever barred, estopped and enjoined from asserting such Administrative Claims against the Debtors or their property and such Administrative Claims shall be deemed discharged as of the Effective Date. Objections to such requests, if any, must be Filed and served on the Plan Administrator and the requesting party no later than 60 days after the Effective Date.

B. *DIP Facility and ABL Claims*

As of the Effective Date, the DIP Facility Claims shall be Allowed and deemed to be Allowed Claims in the full amount outstanding under the DIP Facility Credit Agreement, including principal, interest, fees and expenses. On the Effective Date, to the extent not already satisfied and except to the extent that a holder of an Allowed DIP Facility Claim agrees to a less favorable treatment, in exchange for full and final satisfaction, settlement, release and discharge of the Allowed DIP Facility Claim, each holder of such Allowed DIP Facility Claim shall (a) be paid indefeasibly in Cash in full or (b) receive such other treatment as agreed by the Debtors and the applicable Holder of a DIP Facility Claim. To the extent not already satisfied by the DIP Facility, on the Effective Date, except to the extent that a holder of an Allowed ABL Claim agrees to a less favorable treatment, in exchange for full and final satisfaction, settlement, release and discharge of the Allowed ABL Claim, each holder of such Allowed ABL Claim shall (a) be paid indefeasibly in Cash in full or (b) receive such other treatment as agreed by the Debtors and the applicable Holder of an Allowed ABL Claim.

C. *Priority Tax Claims*

Except to the extent that a holder of an Allowed Priority Tax Claim agrees to a less favorable treatment, in exchange for full and final satisfaction, settlement, release and discharge of each Allowed Priority Tax Claim, each holder of an Allowed Priority Tax Claim due and payable on or before the Effective Date shall receive, on the Distribution Date, at the option of the Debtors, with the consent of the Term Loan Lenders, one of the following treatments: (1) Cash in an amount equal to the amount of such Allowed Priority Tax Claim, plus interest at the rate determined under applicable nonbankruptcy law and to the extent provided for by section 511 of the Bankruptcy Code; (2) Cash in an aggregate amount of such Allowed Priority Tax Claim payable in installment payments over a period of time not to exceed five years after the Petition Date, pursuant to section 1129(a)(9)(C) of the Bankruptcy Code, plus interest at the rate determined under applicable nonbankruptcy law and to the extent provided for by section 511 of the Bankruptcy Code; or (3) such other treatment as may be agreed upon by such holder and the Debtors, with the consent of the Term Loan Lenders, or otherwise determined upon an order of the Bankruptcy Court.



*D. Statutory Fees*

On the Distribution Date, the Debtors shall pay, in full in Cash, any fees due and owing to the U.S. Trustee at the time of Confirmation. On and after the Effective Date, the Plan Administrator shall pay the applicable U.S. Trustee fees until the entry of a final decree in such Debtor's Chapter 11 Case or until such Chapter 11 Case is converted or dismissed.

**ARTICLE III.  
CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS**

*A. Classification of Claims and Interests*

Pursuant to section 1122 of the Bankruptcy Code, set forth below is a designation of Classes of Claims and Interests. All Claims and Interests, except for Administrative Claims, DIP Facility Claims, ABL Claims and Priority Tax Claims, are classified in the Classes set forth in this Article III. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest qualifies within the description of such other Classes. A Claim also is classified in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class and has not been paid, released or otherwise satisfied before the Effective Date.

*B. Summary of Classification*

The Plan constitutes a separate chapter 11 plan of liquidation for each Debtor and, unless otherwise explained herein, the classifications set forth in Classes 1 to 7 shall be deemed to apply to each Debtor, as applicable.

The following chart summarizes the classification of Claims and Interests pursuant to the Plan:

<b>Class</b>	<b>Claim/Interest</b>	<b>Status</b>	<b>Voting Rights</b>
1	Term Loan Claims	Impaired	Entitled to Vote
2	Priority Non-Tax Claims	Unimpaired	Deemed to Accept
3	Other Secured Claims	Unimpaired	Deemed to Accept
4	General Unsecured Claims	Impaired	Entitled to Vote
5	Intercompany Claims	Impaired	Deemed to Reject
6	Intercompany Interests	Impaired	Deemed to Reject
7	Interests in Coldwater	Impaired	Deemed to Reject

*C. Treatment of Claims and Interests*

To the extent a Class contains Allowed Claims or Allowed Interests with respect to a particular Debtor, the treatment provided to each Class for distribution purposes is specified below:

1. Class 1 - Term Loan Claims

- (a) *Classification:* Class 1 consists of the Term Loan Claims.
- (b) *Allowance:* The Term Loan Claims shall be Allowed.
- (c) *Treatment:* In exchange for full and final satisfaction, settlement, release and discharge of the Term Loan Claim, the Holders of the Term Loan Claims shall receive their Pro Rata share of the Available Cash from the Coldwater Segregated Fund on the First

Distribution Date. If such Available Cash is insufficient to satisfy the Term Loan Claims in full, the Holders of the Term Loan Claims shall receive their Pro Rata share of Available Cash distributed by the Plan Administrator upon each Subsequent Distribution Date and the Final Distribution Date until the Term Loan Claims are satisfied in full.

- (d) *Voting:* Class 1 is Impaired by the Plan. Therefore, Holders of Class 1 Term Loan Claims are entitled to vote to accept or reject the Plan.

2. Class 2 - Priority Non-Tax Claims

- (a) *Classification:* Class 2 consists of Priority Non-Tax Claims.
- (b) *Treatment:* Except to the extent that a Holder of an Allowed Priority Non-Tax Claim agrees to a less favorable treatment, in exchange for full and final satisfaction, settlement, release and discharge of each Allowed Priority Non-Tax Claim, each Holder of such Allowed Priority Non-Tax Claim shall be paid in full in Cash on or as soon as practicable after the Effective Date. Allowed Priority Non-Tax Claims shall be paid as soon as reasonably practicable after the reconciliation of all Disputed Priority Non-Tax Claims.
- (c) *Voting:* Class 2 is Unimpaired by the Plan, and each Holder of a Class 2 Priority Non-Tax Claim is conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Class 2 Priority Non-Tax Claims are not entitled to vote to accept or reject the Plan.

3. Class 3 - Other Secured Claims

- (a) *Classification:* Class 3 consists of Other Secured Claims.
- (b) *Treatment:* Except to the extent that a Holder of an Other Secured Claim agrees to a less favorable treatment, in exchange for full and final satisfaction, settlement, release and discharge of each Allowed Other Secured Claim, each Holder of such Allowed Other Secured Claim shall receive one of the following treatments, as determined by the Debtors, with the consent of the Term Loan Lenders: (a) payment in full in Cash on or as soon as practicable after the Effective Date, including the payment of any interest required to be paid under section 506(b) of the Bankruptcy Code; (b) delivery of the collateral securing any such allowed secured claim; or (c) other treatment such that the Allowed Other Secured Claim shall be rendered Unimpaired.
- (c) *Voting:* Class 3 is Unimpaired by the Plan, and each Holder of a Class 3 Other Secured Claim is conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Class 3 Other Secured Claims are not entitled to vote to accept or reject the Plan.

4. Class 4 - General Unsecured Claims

- (a) *Classification:* Class 4 consists of General Unsecured Claims.
- (b) *Treatment:* Except to the extent that a Holder of an Allowed General Unsecured Claim agrees to a less favorable treatment, each Holder of an Allowed General Unsecured Claim shall receive its Pro Rata share (not to exceed the amount of the Allowed General Unsecured Claim) of any Net Available Funds. If, as of the Final Distribution Date, there are no Net Available Funds to satisfy any Allowed General Unsecured Claims, Holders of General Unsecured Claims shall not receive any distribution on account of such General Unsecured Claims.
- (c) *Voting:* Class 4 is Impaired by the Plan. Therefore, Holders of Class 4 General Unsecured Claims are entitled to vote to accept or reject the Plan.

5. Class 5 - Intercompany Claims

- (a) *Classification:* Class 5 consists of Intercompany Claims.
- (b) *Treatment:* Holders of Class 6 Intercompany Claims shall not receive any distribution on account of such Claims. On the Effective Date, Class 5 Intercompany Claims shall be cancelled and discharged.
- (c) *Voting:* Class 5 is Impaired by the Plan and Holders of Class 5 Intercompany Claims are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Class 5 Intercompany Claims are not entitled to vote to accept or reject the Plan.

6. Class 6 - Intercompany Interests

- (a) *Classification:* Class 6 consists of Intercompany Interests.
- (b) *Treatment:* Holders of Class 6 Intercompany Interests shall not receive any distribution on account of such Interests. On the Effective Date, Class 6 Intercompany Interests shall be cancelled and discharged.
- (c) *Voting:* Class 6 is Impaired by the Plan and Holders of Class 6 Intercompany Interests are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Class 6 Intercompany Interests are not entitled to vote to accept or reject the Plan.

7. Class 7 - Interests in Coldwater

- (a) *Classification:* Class 7 consists of Interests in Coldwater.
- (b) *Treatment:* Holders of Interests in Coldwater shall not receive any distribution on account of such Interests. On the Effective Date, Interests in Coldwater shall be cancelled and discharged.
- (c) *Voting:* Class 7 is Impaired and each Holder of Class 7 Interests in Coldwater is conclusively presumed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Class 7 Interests in Coldwater are not entitled to vote to accept or reject the Plan.

*D. Special Provision Governing Claims that are Not Impaired*

Except as otherwise provided in the Plan, nothing under the Plan shall affect the Debtors' rights in respect of any Claims that are not Impaired, including all rights in respect of legal and equitable defenses to or setoffs or recoupments against any such Claims that are not Impaired.

*E. Acceptance or Rejection of the Plan*

1. Voting Classes.

Classes 1 and 4 are Impaired under the Plan and are entitled to vote to accept or reject the Plan.

2. Presumed Acceptance of the Plan

Classes 2 and 3 are Unimpaired under the Plan, and the Holders in such Classes are deemed to have accepted the Plan and are not entitled to vote to accept or reject the Plan.

3. Presumed Rejection of Plan

Classes 5, 6 and 7 are Impaired and shall receive no distribution under the Plan. The Holders in Classes 5, 6 and 7 are deemed to have rejected the Plan and are not entitled to vote to accept or reject the Plan.

*F. Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code*

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by an Impaired Class of Claims. The Debtors shall seek Confirmation pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests.

*G. Subordinated Claims*

Except as expressly provided herein, the allowance, classification and treatment of all Allowed Claims and Interests and the respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code or otherwise.

**ARTICLE IV.  
MEANS FOR IMPLEMENTATION OF THE PLAN**

*A. Implementation of the Plan*

The Plan shall be implemented by, through and at the direction of the Plan Administrator in a manner consistent with the terms and conditions set forth herein.

*B. Continuing Existence; Role of the Plan Administrator*

From and after the Effective Date through the date of dissolution of the Debtors, the Debtors shall continue in existence as debtors-in-possession for the purpose of taking such actions as the Plan Administrator deems necessary or desirable in connection with the Plan and the Estates, including, without limitation, (i) winding up the Debtors' affairs, (ii) liquidating, by conversion to Cash or other methods, including by way of abandonment, any remaining assets of their Estates, as expeditiously as reasonably possible, (iii) enforcing and prosecuting claims, interests, rights and privileges of the Debtors and their Estates, including, without limitation, Causes of Action (including any Avoidance Actions), (iv) resolving Disputed Claims, (v) confirming and administering the Plan and taking such actions as are necessary to effectuate the Plan, and (vi) filing appropriate Tax returns.

On and after the Effective Date, (i) the Debtors shall act solely by and through the Plan Administrator, (ii) all of the affairs of the Debtors shall be subject to and controlled by the Plan Administrator, and (iii) the Plan Administrator shall have exclusive standing and authority to act on behalf of, and in the name of, the Debtors, and to enforce any and all rights of the Debtors under the Plan or otherwise, subject only to the conditions set forth in the Plan, including the commencement, prosecution and resolution of any Causes of Action. Without limiting the generality of the foregoing, on and after the Effective Date, the Plan Administrator shall have the sole custody and control of all tangible and intangible assets of the Debtors.

On the Effective Date, or as soon thereafter as is practicable, the Plan Administrator shall maintain control of all of the Debtors books and records, in whatever form (including electronic records).

Upon the Distribution of all remaining assets of the Debtors pursuant to the Plan and the filing by or on behalf of the Debtors of a certification to that effect with the Bankruptcy Court, the Debtors shall thereby be dissolved without making any filings with state offices of certificates of dissolution or other filings, and Debtors and the Plan Administrator shall be relieved from any otherwise applicable legal requirements necessitating such filings, and from the payment of any fees, charges, assessments or other similar costs in connection therewith.

The Plan Administrator may, but shall not be required to, file one or more certificates of dissolution or other similar documents to effectuate the dissolution of the Debtors, and if the Plan Administrator so elects, he or she may do so without obtaining the approval of any of the directors, managers, officers, members or shareholders of the Debtors.

*C. Funding of Plan Administrator Reserve*

Subject to the Term Loan Lenders consent, the Plan Administrator shall maintain the Plan Administrator Reserve, and withhold such Cash from Distributions. Upon the Final Distribution Date, the Plan Administrator shall distribute any Cash remaining in the Plan Administrator Reserve to Holders of Allowed Claims in accordance with the respective priorities set forth in the Plan.

*D. Funding of the Plan*

The Plan shall be funded by (i) Available Cash on the Effective Date (after giving effect to the Plan Administrator Reserve) and (ii) Available Cash after the Effective Date from, among other things, the liquidation of any remaining assets of the Debtors and the prosecution and resolution of any Causes of Action.

*E. Direction to Parties*

From and after the Effective Date, the Plan Administrator may apply to the Bankruptcy Court for an order directing any necessary party to execute or deliver or to join in the execution or delivery of any instrument required to effect a transfer of property contemplated by or necessary to effectuate the Plan, and to perform any other act, including the satisfaction of any Lien, that is necessary for the consummation of the Plan, pursuant to section 1142(b) of the Bankruptcy Code.

*F. Cancellation of Equity Interests*

On the Effective Date, all Equity Interests in the Debtors, and all agreements and other documents evidencing or creating rights of any Person or Entity against any of the Debtors related to or based upon any Equity Interests, including any options or warrants to purchase Equity Interests and any agreements or instruments obligating the Debtors to issue, transfer, redeem, make payment on or sell any Equity Interests, shall be deemed cancelled and null and void without any further action or filing by the Debtors, the Plan Administrator or any other Person or Entity.

*G. Plan Administrator*

1. Appointment and Powers. The Plan Administrator shall be designated by the Debtors, with the

consent of the Term Loan Lenders, and identified in the Plan Supplement. The Plan Administrator shall act only in accordance with the Plan, and in such capacity shall have the same powers as the board of directors and officers of the Debtors and provisions hereof (and all bylaws, articles of incorporation and related corporate documents are deemed amended by the Plan to permit and authorize the same). The duties and powers of the Plan Administrator shall include, but not be limited to, the following:

(i) to exercise all power and authority that may be necessary to implement the Plan and enforce all provisions hereof, commence and prosecute all proceedings that may be commenced and take all actions that may be taken by any officer, director or shareholder of the Debtors with like effect as if authorized, exercised and taken by unanimous action of such officers, directors and shareholders, including consummating the Plan;

(ii) to maintain all bank accounts, make Distributions and take other actions consistent with the Plan, including the maintenance of appropriate reserves (including the Plan Administrator Reserve), in the name of the Debtors;

(iii) to maintain the books and records of the Debtors;

(iv) to take all steps reasonably necessary and practicable to terminate the corporate existence of the Debtors as and when provided for in the Plan, including the filing of any motions or other pleadings in the Bankruptcy Court;

(v) to incur reasonable and necessary expenses in connection with the implementation and consummation of the Plan;

(vi) to make decisions without court approval, regarding the retention or engagement of professionals or other Persons, and to pay, without court approval, all reasonable fees and expenses of the Debtors and the Estates accruing from and after the Effective Date;

(vii) to collect and liquidate any assets of the Debtors remaining after the Effective Date and to administer the wind-down of the Debtors' affairs;

(viii) to prepare and file Tax returns and related forms and filings on behalf of the Debtors, to protest or appeal any Tax assessment, and to apply for or otherwise pursue any Claim for any Tax refund, rebate or reduction;

(ix) to prosecute and/or settle Causes of Action, including, without limitation, Avoidance Actions, on behalf of and in the name of the Debtors;

(x) to seek a determination of Tax liability under section 505 of the Bankruptcy Code or otherwise and to pay, or cause to be paid, from the remaining assets of the Debtors, any Taxes incurred by the Plan Administrator and/or the Debtors before or after the Effective Date;

(xi) to collect, or cause to be collected, any accounts receivable or other claims of the Debtors not otherwise disposed of pursuant to the Plan;

(xii) to invest, or cause to be invested, Cash as deemed appropriate by the Plan Administrator;

(xiii) to enter, or cause to be entered, into any agreement or execute any document required by or consistent with the Plan and perform all of the Debtors' obligations under the Plan;

(xiv) to abandon, or cause to be abandoned, in any commercially reasonable manner any assets of the Debtors that the Plan Administrator reasonably concludes are of no benefit to the Estates;

(xv) to file, prosecute and/or settle objections to Proofs of Claim filed in the Chapter 11 Cases; provided however, that the Plan Administrator shall have no obligation to prosecute and or settle General Unsecured Claims until such time as the Term Loan Claims are satisfied in full in Cash;

(xvi) to take all other actions not inconsistent with the provisions of the Plan which the Plan Administrator deems reasonably necessary or desirable in connection with the administration and consummation of the Plan; and

(xvii) to exercise such other powers as may be vested in the Plan Administrator by order of the Bankruptcy Court.

On and after the Effective Date, the Plan Administrator may exercise any of the foregoing powers without any further order of the Bankruptcy Court provided the Plan Administrator acts in conformity with the Plan and any applicable orders of the Bankruptcy Court and in consultation with the Term Loan Lenders.

2. Resignation, Death or Removal of Plan Administrator. The Term Loan Lenders may remove the Plan Administrator at any time before the indefeasible payment in Cash of the Allowed Term Loan Claims, with or without cause, upon at least ten days' prior written notice to the U.S. Trustee and the Plan Administrator. In the event of the resignation or removal, death or incapacity of the Plan Administrator, the Term Loan Lenders shall designate another Person or Entity to serve as Plan Administrator and thereupon the successor Plan Administrator, without any further act or need for an order of the Bankruptcy Court, shall become fully vested with all of the rights, powers, duties and obligations of the predecessor; *provided, however*; that the Plan Administrator shall be deemed removed on the date the Chapter 11 Cases are closed, and no successor thereto shall be designated. Upon the indefeasible payment in Cash of the Allowed Term Loan Claims, the Creditors' Committee, or any successor thereto, shall have the sole authority to remove the Plan Administrator and designate another Person or Entity to serve as Plan Administrator in the event of the resignation or removal, death or incapacity of the Plan Administrator.

3. No Agency Relationship, Limitation of Liability of Plan Administrator, Indemnification and Insurance. The Plan Administrator and its agents shall not be deemed to be the agent for any of the creditors in connection with the Cash held or distributed pursuant to the Plan. The Plan Administrator and its agents shall not be liable for any mistake of fact or law or error of judgment or any act or omission of any kind unless it has been determined by a Final Order of a court of competent jurisdiction that such mistake or error constitutes gross negligence, bad faith, self-dealing, breach of fiduciary duty or willful misconduct. The Plan Administrator shall be indemnified and held harmless, including the costs of defending such claims, by the Debtors and the Estates against any and all claims arising out of the performance of its duties under the Plan, except to the extent its actions have been determined by a Final Order of a court of competent jurisdiction to constitute gross negligence, bad faith, self-dealing, breach of fiduciary duty or willful misconduct. Any indemnification claims by the Plan Administrator shall be satisfied solely from the funds held in the Plan Administrator Reserve. The Plan Administrator may obtain, with the consent of the Term Loan Lenders, at the expense of the Debtors and their Estates, commercially reasonable liability or other appropriate insurance with respect to the indemnification obligations of the Debtors to the Plan Administrator. The Plan Administrator may conclusively rely, and shall be fully protected in acting upon, any statement, instrument, opinion, report, notice, request, consent, order, or other instrument or document which it, he or she believes to be genuine and to have been signed or presented by the proper party. The Plan Administrator may rely upon written information previously generated by, or at the direction of, the Debtors, including without limitation, the claims register maintained by the Notice, Claims and Balloting Agent in these Chapter 11 Cases.

4. Compensation. The Plan Administrator shall be compensated on reasonable terms determined by the board of directors of Coldwater, with the consent of the Term Loan Lenders and set forth in the Plan Supplement.

5. Winding Up Affairs. Following the Effective Date, the Debtors shall not engage in any business activities or take any actions, except those necessary to consummate the Plan and wind up the affairs of the Debtors, in each case as directed by and through the Plan Administrator.

6. Title to Accounts. Title to all of the Debtors' bank, brokerage and other accounts shall vest in the Plan Administrator, effective as of the Effective Date, without any further order of the Bankruptcy Court or further action on the part of any Person or Entity. On and after the Effective Date, all such accounts shall be deemed to be accounts in the name of the Plan Administrator without any further action by any Person or Entity or any further order of the Bankruptcy Court.

*H. Effectuating Documents; Further Transactions*

On and after the Effective Date, the Plan Administrator is authorized to and may issue, execute, deliver, file or record such contracts, instruments, releases and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement and further evidence the terms and conditions of the Plan without the need for any approvals, authorization or consents except those expressly required pursuant to the Plan.

*I. Payment of Certain Professional Fees*

On the Effective Date, the Debtors shall pay all reasonable and documented fees and expenses of (i) Kirkland & Ellis LLP, counsel to the Term Loan Lenders, (ii) local co-counsel to the Term Loan Lenders, (iii) Miller Buckfire, financial advisor to the Term Loan Lenders, (iv) the ABL Agent and (v) counsel to the ABL Agent.

*J. Exemption from Certain Taxes and Fees*

Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant hereto shall not be subject to any stamp tax or other similar tax or governmental assessment in the United States, and the Confirmation Order shall direct and be deemed to direct the appropriate state or local governmental officials or agents to forgo the collection of any such tax or governmental assessment and to accept for filing and recordation instruments or other documents pursuant to such transfers of property without the payment of any such tax or governmental assessment. Such exemption specifically applies, without limitation, to (i) the creation of any mortgage, deed of trust, lien or other security interest; (ii) the making or assignment of any lease or sublease; (iii) any restructuring transaction authorized by the Plan; or (iv) the making or delivery of any deed or other instrument of transfer under, in furtherance of or in connection with the Plan, including: (A) any merger agreements; (B) agreements of consolidation, restructuring, disposition, liquidation or dissolution; (C) deeds; (D) bills of sale; or (E) assignments executed in connection with any Restructuring Transaction occurring under the Plan.

**ARTICLE V.  
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

*A. Assumption and Rejection of Executory Contracts and Unexpired Leases*

On the Effective Date, except as otherwise provided herein, or in any contract, instrument, release, indenture or other agreement or document entered into in connection with the Plan, Executory Contracts and Unexpired Leases shall be deemed rejected as of the Effective Date, unless such Executory Contract or Unexpired Lease: (i) was assumed, assumed and assigned or rejected previously by the Debtors; (ii) previously expired or terminated pursuant to its own terms; (iii) is the subject of a motion to assume or assume and assign Filed on or before the Effective Date; (iv) is identified as an Executory Contract or Unexpired Lease on the Assumed Executory Contracts and Unexpired Lease List; or (v) is identified as an Executory Contract or Unexpired Lease on the Deferred Executory Contracts and Unexpired Lease List.

Entry of the Confirmation Order shall constitute a Bankruptcy Court order approving the assumptions or rejections of such Executory Contracts or Unexpired Leases as set forth in the Plan, the Assumed Executory Contract and Unexpired Leases List or Rejected Executory Contract and Unexpired Leases List, pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Unless otherwise indicated herein, assumptions or rejections of Executory Contracts and Unexpired Leases pursuant to the Plan are effective as of the Effective Date. Each Executory Contract or Unexpired Lease assumed or assumed and assigned pursuant to the Plan or by Bankruptcy Court order but not assigned to a third party before the Effective Date shall re-vest in and be fully enforceable by the Plan Administrator in accordance with its terms, except as such terms may have been modified by the provisions of the Plan or any order of the Bankruptcy Court authorizing and providing for its assumption under applicable federal law. Any motions to assume or assume and assign Executory Contracts or Unexpired Leases pending on the Effective Date shall be subject to approval by the Bankruptcy Court on or after the Effective Date by a Final Order.



Any Executory Contract or Unexpired Lease on the Deferred Executory Contracts and Unexpired Lease List shall be assumed or assumed and assigned, as applicable, pursuant to the terms of the Store Closing Approval Order, as applicable, or rejected pursuant to the terms of the Rejection Procedures Order on or before the Deferred Executory Contracts and Unexpired Lease Deadline. Any Executory Contract or Unexpired Lease on the Deferred Executory Contracts and Unexpired Lease List that is not assumed or assumed and assigned, as applicable, or rejected on or before the Deferred Executory Contract or Unexpired Lease Deadline shall be deemed rejected as of such date.

*B. Claims Based on Rejection of Executory Contracts or Unexpired Leases*

Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, if any, must be filed with the Bankruptcy Court within 21 days after the effective date of such rejection. Any Claims arising from the rejection of an Executory Contract or Unexpired Lease not Filed within such time will be automatically disallowed, forever barred from assertion and shall not be enforceable against the Debtors or the Plan Administrator, the Estates or their property without the need for any objection by the Plan Administrator or further notice to, or action, order or approval of the Bankruptcy Court. Claims arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases shall be classified as General Unsecured Claims and shall be treated in accordance with Article III of the Plan, as applicable.

**Rejection Claims for which a Proof of Claim is not timely Filed will be forever barred from assertion against the Debtors, their Estates and their property or the Plan Administrator unless otherwise ordered by the Bankruptcy Court or as otherwise provided herein.**

*C. Cure of Defaults for Executory Contracts and Unexpired Leases Assumed or Assumed and Assigned*

Any monetary defaults under each Executory Contract and Unexpired Lease as reflected on the Assumed Executory Contracts and Unexpired Lease List shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the default amount in Cash on the Effective Date, subject to the limitations described below, or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree. In the event of a dispute regarding (i) the amount of any payments to cure such a default, (ii) the ability of the Plan Administrator or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed or assumed and assigned or (iii) any other matter pertaining to assumption, the cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order or orders resolving the dispute and approving the assumption. At least seven days before the Confirmation Hearing, the Debtors shall distribute, or cause to be distributed, Cure Notices of proposed assumption and proposed amounts of Cure Claims to the applicable third parties. Any objection by a counterparty to an Executory Contract or Unexpired Lease to a proposed assumption or related cure amount must be Filed, served and actually received by the Debtors before the Effective Date. Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption or cure amount will be deemed to have assented to such assumption or cure amount; *provided, however*, the Debtors, with the consent of the Term Loan Lenders, shall have the right to alter, amend, modify or supplement the Assumed Executory Contracts and Unexpired Lease List or Rejected Executory Contracts and Unexpired Lease List, as applicable, as identified in the Plan Supplement, through and including the Effective Date. To the extent that the Debtors, with the consent of the Term Loan Lenders, alter, amend, modify or supplement the lists of Executory Contracts and Unexpired Lease included in the Plan Supplement, the Debtors will provide notice to each counterparty to an affected Executory Contract or Unexpired Lease within five days of such decision.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed or assumed and assigned Executory Contract or Unexpired Lease at any time before the date of the Debtors or the Plan Administrator, or the Debtors or the Plan Administrator's agent, assume or assume and assign such Executory Contract or Unexpired Lease. Any Proofs of Claim Filed with respect to an Executory Contract or Unexpired Lease that has been assumed or assumed and assigned shall be deemed disallowed and expunged, without further notice to or action, order or approval of the Bankruptcy Court.

*D. Modifications, Amendments, Supplements, Restatements or Other Agreements*

Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed, assumed and assigned shall include all modifications, amendments, supplements, restatements or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and Executory Contracts and Unexpired Leases related thereto, if any, including easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the Plan.

Modifications, amendments, supplements and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority or amount of any Claims that may arise in connection therewith.

*E. Reservation of Rights*

Neither the exclusion nor inclusion of any Executory Contract or Unexpired Lease on the Assumed, Rejected or Deferred Executory Contract and Unexpired Lease List, nor anything contained in the Plan, shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that any the Plan Administrator has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtors or the Plan Administrator, as applicable, with the consent of the Term Loan Lenders, shall have 28 days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

**ARTICLE VI.  
PROVISIONS GOVERNING DISTRIBUTIONS**

*A. Timing and Calculation of Amounts to Be Distributed*

Unless otherwise provided in the Plan, on each Distribution Date, each Holder of an Allowed Claim shall receive such distributions that the Plan provides for Allowed Claims in each applicable Class in accordance with Article III hereof. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Article VII of the Plan. Except as otherwise provided in the Plan, Holders of Claims shall not be entitled to interest, dividends or accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date. The Debtors shall have no obligation to recognize any transfer of Claims or Interests occurring on or after the Voting Deadline.

*B. Disbursing Agent*

Distributions under the Plan shall be made by the Disbursing Agent on the First Distribution Date, Subsequent Distribution Dates, and Final Distribution Date. The Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court.

*C. Rights and Powers of Disbursing Agent*

1. Powers of the Disbursing Agent

The Disbursing Agent shall be empowered to: (a) effect all actions and execute all agreements, instruments and other documents necessary to perform its duties under the Plan; (b) make all distributions contemplated hereby; (c) employ professionals to represent it with respect to its responsibilities; and (d) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions hereof.

2. Expenses Incurred On or After the Effective Date

Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and out-of-pocket expenses incurred by the Disbursing Agent on or after the Effective Date (including taxes) and any reasonable compensation and out-of-pocket expense reimbursement claims (including reasonable attorney fees and expenses) made by the Disbursing Agent shall be paid in Cash from the Plan Administrator Reserve.

*D. Delivery of Distributions and Undeliverable or Unclaimed Distributions*

1. Delivery of Distributions

(a) Delivery of Distributions to DIP Facility Agent

Except as otherwise provided in the Plan, all distributions to the Holder of the DIP Facility Claims shall be governed by the DIP Facility Credit Agreement and shall be deemed completed when made to the DIP Facility Agent, who shall be deemed to be the Holder of the DIP Facility Claims for purposes of distributions to be made hereunder. The DIP Facility Agent shall hold or direct such distributions for the benefit of the holder of the Allowed DIP Facility Claims. As soon as practicable in accordance with the requirements set forth in this Article VI, the DIP Facility Agent shall arrange to deliver such distributions to or on behalf of such Holder of the Allowed DIP Facility Claims.

(b) Delivery of Distributions to ABL Agent

Except as otherwise provided in the Plan, all distributions to the Holder of the ABL Facility Claims shall be governed by the ABL Facility Credit Agreement and shall be deemed completed when made to the ABL Agent, who shall be deemed to be the Holder of the ABL Facility Claims for purposes of distributions to be made hereunder. The ABL Facility Agent shall hold or direct such distributions for the benefit of the Holder of the Allowed ABL Facility Claims. As soon as practicable in accordance with the requirements set forth in this Article VI, the ABL Facility Agent shall arrange to deliver such distributions to or on behalf of such Holder of the Allowed ABL Facility Claims.

(c) Delivery of Distributions to Term Loan Agent

Except as otherwise provided in the Plan, all distributions to the Holder of the Term Loan Claims shall be governed by the Term Loan Credit Agreement and shall be deemed completed when made to the Term Loan Agent, who shall be deemed to be the Holder of the Term Loan Claims for purposes of distributions to be made hereunder. The Term Loan Agent shall hold or direct such distributions for the benefit of the Holder of the Allowed Term Loan Claims. As soon as practicable in accordance with the requirements set forth in this Article VI, the Term Loan Agent shall arrange to deliver such distributions to or on behalf of such Holder of the Allowed Term Loan Claims

(d) Delivery of Distributions in General

Except as otherwise provided in the Plan, distributions to holders of Allowed Claims shall be made to holders of record as of the Distribution Record Date by the Disbursing Agent, as appropriate: (1) to the signatory set forth on any of the Proofs of Claim Filed by such holder or other representative identified therein (or at the last known addresses of such holder if no Proof of Claim is Filed or if the Debtors have been notified in writing of a change of address); (2) at the addresses set forth in any written notices of address changes delivered to the applicable Disbursing Agent, as appropriate, after the date of any related Proof of Claim; (3) at the addresses reflected in the Schedules if no Proof of Claim has been Filed and the applicable Disbursing Agent, as appropriate, has not received a written notice of a change of address; or (4) on any counsel that has appeared in the Chapter 11 Cases on the holder's behalf. Subject to this Article VI, distributions under the Plan on account of Allowed Claims shall not be subject to levy, garnishment, attachment or like legal process, so that each holder of an Allowed Claim shall have and receive the benefit of the distributions in the manner set forth in the Plan. The Disbursing Agent shall not incur any liability whatsoever on account of any distributions under the Plan except for gross negligence or willful misconduct.

2. Minimum Distributions

Notwithstanding any other provision of the Plan, the Disbursing Agent will not be required to make distributions of Cash less than \$50 in value, and each such Claim to which this limitation applies shall be discharged pursuant to Article VIII and its holder is forever barred pursuant to Article VIII from asserting that Claims against the Debtors or their property.

3. Undeliverable Distributions and Unclaimed Property

In the event that any distribution to any holder is returned as undeliverable, no distribution to such holder shall be made unless and until the Disbursing Agent has determined the then-current address of such holder, at which time such distribution shall be made to such holder without interest; *provided, however*, that such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of one year from the Effective Date. After such date, all unclaimed property or interests in property shall revert to the Plan Administrator automatically and without need for a further order by the Bankruptcy Court (notwithstanding any applicable federal, provincial or state escheat, abandoned or unclaimed property laws to the contrary), and the Claim of any holder to such property or Interest in property shall be discharged and forever barred.

*E. Compliance with Tax Requirements*

In connection with the Plan, to the extent applicable, the Debtors or the Plan Administrator, as applicable, shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Disbursing Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions or establishing any other mechanisms they believe are reasonable and appropriate. The Debtors and the Plan Administrator, as applicable, reserve the right to allocate all distributions made under the Plan in compliance with applicable wage garnishments, alimony, child support and other spousal awards, liens and encumbrances.

*F. Allocations*

Distributions in respect of Allowed Claims shall be allocated first to the principal amount of such Claims (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claims, to any portion of such Claims for accrued but unpaid interest.

*G. Setoffs and Recoupment*

The Debtors may, but shall not be required to, setoff against or recoup from any Claims of any nature whatsoever that the Debtors may have against the claimant, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or the Plan Administrator of any such Claim it may have against the holder of such Claim.

*H. Claims Paid or Payable by Third Parties*

1. Claims Paid by Third Parties

The Plan Administrator shall reduce in full a Claim, and such Claim shall be disallowed without a Claim objection having to be Filed and without any further notice to or action, order or approval of the Bankruptcy Court, to the extent that the holder of such Claim receives payment in full on account of such Claim from a party that is not a Debtor or the Plan Administrator. Subject to the last sentence of this paragraph, to the extent a holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not a Debtor or the Plan Administrator on account of such Claim, such holder shall, within two weeks of receipt thereof, repay or return the distribution to the applicable Debtor or the Plan Administrator, to the extent the holder's total recovery on account

of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan. The failure of such holder to timely repay or return such distribution shall result in the holder owing the applicable Debtor or the Plan Administrator annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the two-week grace period specified above until the amount is repaid.

2. Claims Payable by Third Parties

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors' insurance policies until the holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy. To the extent that one or more of the Debtors' insurers agrees to satisfy in full or in part a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, the applicable portion of such Claim may be expunged without a Claims objection having to be Filed and without any further notice to or action, order or approval of the Bankruptcy Court.

3. Applicability of Insurance Policies

Except as otherwise provided in the Plan, distributions to holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Nothing contained in the Plan shall constitute or be deemed a waiver of any Cause of Action that the Debtors or any Entity may hold against any other Entity, including insurers under any policies of insurance, nor shall anything contained herein constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

**ARTICLE VII.  
PROCEDURES FOR RESOLVING CONTINGENT,  
UNLIQUIDATED AND DISPUTED CLAIMS**

A. *Allowance of Claims*

After the Effective Date, the Plan Administrator shall have and retain any and all rights and defenses such Debtor had with respect to any Claim or Interest immediately before the Effective Date.

B. *Claims Administration Responsibilities*

Except as otherwise specifically provided in the Plan, after the Effective Date, the Plan Administrator shall have the authority: (1) subject to the consent of the Term Loan Lenders, to File, withdraw or litigate to judgment objections to Claims or Interests; (2) subject to the consent of the Term Loan Lenders, to settle or compromise any Disputed Claim without any further notice to or action, order or approval by the Bankruptcy Court; and (3) to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order or approval by the Bankruptcy Court.

C. *Estimation of Claims*

Before or after the Effective Date, subject to the consent of the Term Loan Lenders, the Debtors or Plan Administrator, as applicable, may (but are not required to) at any time request that the Bankruptcy Court estimate any Disputed Claim that is contingent or unliquidated pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether any party previously has objected to such Claim or Interest or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any such Claim or Interest, including during the litigation of any objection to any Claim or Interest or during the appeal relating to such objection. Notwithstanding any provision otherwise in the Plan, a Claim that has been expunged from the Claims Register, but that either is subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at zero dollars, unless otherwise ordered by the Bankruptcy Court. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim or Interest, that estimated amount shall constitute a maximum limitation on such Claim or Interest for all purposes under the Plan (including for purposes of distributions), and the

Plan Administrator may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim or Interest.

*D. Reserve for Disputed Administrative Claims*

On and after the Effective Date, the Plan Administrator shall hold in the Plan Administrator Reserve, among other funds, Cash in an aggregate amount sufficient to pay to each holder of a Disputed Administrative Claim the amount of Cash that such holder would have been entitled to receive under the Plan if such Administrative Claim had been an Allowed Administrative Claim on the Effective Date in an amount determined by the Plan Administrator in its reasonable discretion, with the consent of the Term Loan Lenders and subject in all respects to the Administrative Claims Cap, the Priority Non-Tax Claims Cap and the Other Secured Claims Cap. For the avoidance of doubt, the amount reserved by the Plan Administrator pursuant to this Article VII.D shall not be deemed an admission as to the allowability or amount of any Claim in whole or in part.

*E. Adjustment to Claims Without Objection*

Any Claim or Interest that has been paid or satisfied, or any Claim or Interest that has been amended or superseded, cancelled or otherwise expunged (including pursuant to the Plan), may be adjusted or expunged (including on the Claims Register, to the extent applicable) by the Plan Administrator without a Claims objection having to be Filed and without any further notice to or action, order or approval of the Bankruptcy Court.

*F. Time to File Objections to Claims*

Any objections to Claims shall be Filed on or before the Claims Objection Deadline.

*G. Disallowance of Claims*

Except as otherwise provided herein, any Claims held by Entities from which property is recoverable under section 542, 543, 550 or 553 of the Bankruptcy Code or that is a transferee of a transfer avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549 or 724(a) of the Bankruptcy Code, shall be deemed disallowed pursuant to section 502(d) of the Bankruptcy Code, and holders of such Claims may not receive any distributions on account of such Claims until such time as such Causes of Action against that Entity have been settled or a Bankruptcy Court order with respect thereto has been entered and all sums due, if any, to the Debtors by that Entity have been turned over or paid to the Plan Administrator. All Claims Filed on account of an employee benefit shall be deemed satisfied and expunged from the Claims Register as of the Effective Date to the extent the Plan Administrator elect to honor such employee benefit (or assume the agreement(s) providing such employee benefit are assumed under the Plan), without any further notice to or action, order or approval of the Bankruptcy Court.

**EXCEPT AS PROVIDED HEREIN OR OTHERWISE AGREED, ANY AND ALL PROOFS OF CLAIM FILED AFTER THE CLAIMS BAR DATE SHALL BE DEEMED DISALLOWED AND EXPUNGED AS OF THE EFFECTIVE DATE WITHOUT ANY FURTHER NOTICE TO OR ACTION, ORDER OR APPROVAL OF THE BANKRUPTCY COURT, AND HOLDERS OF SUCH CLAIMS MAY NOT RECEIVE ANY DISTRIBUTIONS ON ACCOUNT OF SUCH CLAIMS, UNLESS ON OR BEFORE THE CONFIRMATION HEARING SUCH LATE CLAIM HAS BEEN DEEMED TIMELY FILED BY A FINAL ORDER.**

*H. Amendments to Claims*

On or after the Effective Date, a Claim may not be Filed or amended without the prior authorization of the Bankruptcy Court or the Plan Administrator. Absent such authorization, any new or amended Claim Filed shall be deemed disallowed in full and expunged without any further action.

*I. No Distributions Pending Allowance*

If an objection to a Claim or portion thereof is Filed as set forth in Article VII.B, no payment or distribution provided under the Plan shall be made on account of such Claim or portion thereof unless and until such Disputed Claim becomes an Allowed Claim.

*J. Distributions After Allowance*

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions (if any) shall be made to the holder of such Allowed Claim in accordance with the provisions of the Plan. As soon as practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Disbursing Agent shall provide to the holder of such Claim the distribution (if any) to which such holder is entitled under the Plan as of the Effective Date, without any interest to be paid on account of such Claim unless required under applicable bankruptcy law.

**ARTICLE VIII.  
SETTLEMENT, RELEASE, INJUNCTION AND RELATED PROVISIONS**

*A. Compromise and Settlement of Claims, Interests and Controversies*

Pursuant to sections 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of all Claims, Interests and controversies relating to the contractual, legal and subordination rights that a holder of a Claim may have with respect to any Allowed Claim or Interest or any distribution to be made on account of such Allowed Claim or Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors, their Estates and holders, and is fair, equitable and reasonable. In accordance with the provisions of the Plan, pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019(a), without any further notice to or action, order or approval of the Bankruptcy Court, after the Effective Date, the Plan Administrator may compromise and settle Claims against them and Causes of Action against other Entities.

*B. Release of Liens*

Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan and, in the case of a Secured Claim, satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date, all mortgages, deeds of trust, Liens, pledges or other security interests against any property of the Estates shall be fully released and discharged, and all of the right, title and interest of any holder of such mortgages, deeds of trust, Liens, pledges or other security interests shall revert to the Reorganized Debtor and its successors and assigns.

*C. Releases by the Debtors*

ON THE EFFECTIVE DATE OF THE PLAN AND TO THE FULLEST EXTENT AUTHORIZED BY APPLICABLE LAW, THE RELEASED PARTIES WILL BE EXPRESSLY, UNCONDITIONALLY, GENERALLY AND INDIVIDUALLY AND COLLECTIVELY RELEASED, ACQUITTED AND DISCHARGED BY THE DEBTORS AND THEIR ESTATES FROM ANY AND ALL ACTIONS, CLAIMS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES AND LIABILITIES WHATSOEVER, INCLUDING ANY DERIVATIVE CLAIMS ASSERTED ON BEHALF OF THE DEBTORS, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, MATURED OR UNMATURED, EXISTING OR HEREINAFTER ARISING, IN LAW, EQUITY, CONTRACT, TORT OR OTHERWISE, BY STATUTE OR OTHERWISE, THAT THE DEBTORS, THE PLAN ADMINISTRATOR, THE DEBTORS' ESTATES OR THEIR AFFILIATES (WHETHER INDIVIDUALLY OR COLLECTIVELY) OR ON BEHALF OF THE HOLDER OF ANY CLAIM OR INTEREST OR OTHER ENTITY, EVER HAD, NOW HAS OR HEREAFTER CAN, SHALL OR MAY HAVE, BASED ON OR RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE DEBTORS, THE DEBTORS' LIQUIDATION, THE CHAPTER 11 CASES, THE PURCHASE,

SALE OR RESCISSION OF THE PURCHASE OR SALE OF ANY SECURITY OF THE DEBTORS, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM OR INTEREST THAT IS TREATED IN THE PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN THE DEBTORS AND ANY RELEASED PARTY, THE RESTRUCTURING OF CLAIMS AND INTERESTS BEFORE OR DURING THE CHAPTER 11 CASES, THE NEGOTIATION, FORMULATION OR PREPARATION OF THE PLAN, THE PLAN SUPPLEMENT, THE DISCLOSURE STATEMENT OR RELATED AGREEMENTS, INSTRUMENTS OR OTHER DOCUMENTS OR ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT OR OTHER OCCURRENCE RELATING TO THE DEBTORS TAKING PLACE ON OR BEFORE THE CONFIRMATION DATE OF THE PLAN, EXCEPT FOR ANY CLAIMS AND CAUSES OF ACTION FOR ACTUAL FRAUD.

*D. Releases by Holders*

ON THE EFFECTIVE DATE OF THE PLAN AND TO THE FULLEST EXTENT AUTHORIZED BY APPLICABLE LAW, EACH HOLDER OF A CLAIM OR AN INTEREST IN THE DEBTORS SHALL BE DEEMED TO HAVE EXPRESSLY, UNCONDITIONALLY, GENERALLY AND INDIVIDUALLY AND COLLECTIVELY, RELEASED, ACQUITTED AND DISCHARGED THE RELEASED PARTIES (INCLUDING THE RELEASED PARTIES PREDECESSORS, SUCCESSORS AND ASSIGNS, SUBSIDIARIES, AFFILIATES, MANAGED ACCOUNTS OR FUNDS, CURRENT AND FORMER OFFICERS, DIRECTORS, PRINCIPALS, SHAREHOLDERS, DIRECT AND INDIRECT EQUITY HOLDERS, MEMBERS, PARTNERS (GENERAL AND LIMITED), EMPLOYEES, AGENTS, ADVISORY BOARD MEMBERS, FINANCIAL ADVISORS, ATTORNEYS, ACCOUNTS, INVESTMENT BANKERS, CONSULTANTS, REPRESENTATIVES, MANAGEMENT COMPANIES, FUND ADVISORS AND OTHER PROFESSIONALS) AND THE RELEASED PARTIES FROM ANY AND ALL ACTIONS, CLAIMS, INTERESTS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES AND LIABILITIES WHATSOEVER, INCLUDING ANY DERIVATIVE CLAIMS ASSERTED ON BEHALF OF THE DEBTORS, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, MATURED OR UNMATURED, EXISTING OR HEREAFTER ARISING, IN LAW, EQUITY, CONTRACT, TORT OR OTHERWISE, THAT SUCH HOLDER (WHETHER INDIVIDUALLY OR COLLECTIVELY) EVER HAD, NOW HAS OR HEREAFTER CAN, SHALL OR MAY HAVE, BASED ON OR RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE DEBTORS, THE DEBTORS' LIQUIDATION, THE CHAPTER 11 CASES, THE PURCHASE, SALE OR RESCISSION OF THE PURCHASE OR SALE OF ANY SECURITY OF THE DEBTORS, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM OR INTEREST THAT IS TREATED IN THE PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN THE DEBTORS AND ANY RELEASED PARTY, THE RESTRUCTURING OF CLAIMS AND INTERESTS BEFORE OR DURING THE CHAPTER 11 CASES, INCLUDING THE NEGOTIATION, FORMULATION OR PREPARATION OF THE PLAN SUPPORT AGREEMENT, THE PLAN, THE DISCLOSURE STATEMENT, OR RELATED AGREEMENTS, INSTRUMENTS OR OTHER DOCUMENTS OR ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT OR OTHER OCCURRENCE RELATING TO THE DEBTORS TAKING PLACE ON OR BEFORE THE CONFIRMATION DATE OF THE PLAN, EXCEPT FOR ANY CLAIMS AND CAUSES OF ACTION FOR ACTUAL FRAUD.

*E. Liabilities to, and Rights of, Governmental Units*

Nothing in the Plan or Confirmation Order shall discharge, release, or preclude: (1) any liability to a Governmental Unit that is not a Claim; (2) any Claim of a Governmental Unit arising on or after the Confirmation Date; (3) any liability to a Governmental Unit on the part of any Person or Entity other than the Debtors or Plan Administrator; (4) any valid right of setoff or recoupment by a Governmental Unit; or (5) any criminal liability. Nothing in the Plan or Confirmation Order shall enjoin or otherwise bar any Governmental Unit from asserting or enforcing, outside the Bankruptcy Court, any liability described in the preceding sentence. The discharge and injunction provisions contained in the Plan and Confirmation Order are not intended and shall not be construed to bar any Governmental Unit from, after the Confirmation Date, pursuing any police or regulatory action.



*F. Exculpation*

EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THE PLAN OR PLAN SUPPLEMENT, NO EXCULPATED PARTY SHALL HAVE OR INCUR, AND EACH EXCULPATED PARTY IS HEREBY RELEASED AND EXCULPATED FROM ANY EXCULPATED CLAIM, OBLIGATION, CAUSE OF ACTION OR LIABILITY FOR ANY EXCULPATED CLAIM, EXCEPT FOR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, BUT IN ALL RESPECTS SUCH ENTITIES SHALL BE ENTITLED TO REASONABLY RELY UPON THE ADVICE OF COUNSEL WITH RESPECT TO THEIR DUTIES AND RESPONSIBILITIES PURSUANT TO THE PLAN. THE DEBTORS AND THE PLAN ADMINISTRATOR (AND EACH OF THEIR RESPECTIVE AFFILIATES, AGENTS, DIRECTORS, OFFICERS, EMPLOYEES, ADVISORS AND ATTORNEYS) HAVE PARTICIPATED IN COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE BANKRUPTCY CODE WITH REGARD TO THE SOLICITATION AND DISTRIBUTION OF THE SECURITIES PURSUANT TO THE PLAN AND, THEREFORE, ARE NOT, AND ON ACCOUNT OF SUCH DISTRIBUTIONS SHALL NOT BE, LIABLE AT ANY TIME FOR THE VIOLATION OF ANY APPLICABLE LAW, RULE OR REGULATION GOVERNING THE SOLICITATION OF ACCEPTANCES OR REJECTIONS OF THE PLAN OR SUCH DISTRIBUTIONS MADE PURSUANT TO THE PLAN.

*G. Injunction*

FROM AND AFTER THE EFFECTIVE DATE, ALL ENTITIES ARE PERMANENTLY ENJOINED FROM COMMENCING OR CONTINUING IN ANY MANNER, ANY CAUSE OF ACTION RELEASED OR TO BE RELEASED PURSUANT TO THE PLAN OR THE CONFIRMATION ORDER.

FROM AND AFTER THE EFFECTIVE DATE, TO THE EXTENT OF THE RELEASES AND EXCULPATION GRANTED IN ARTICLE VIII, THE DEBTORS AND HOLDERS OF CLAIMS OR INTERESTS SHALL BE PERMANENTLY ENJOINED FROM COMMENCING OR CONTINUING IN ANY MANNER AGAINST THE RELEASED PARTIES AND THE EXCULPATED PARTIES AND THEIR ASSETS AND PROPERTIES, AS THE CASE MAY BE, ANY SUIT, ACTION OR OTHER PROCEEDING, ON ACCOUNT OF OR RESPECTING ANY CLAIM, DEMAND, LIABILITY, OBLIGATION, DEBT, RIGHT, CAUSE OF ACTION, INTEREST OR REMEDY RELEASED OR TO BE RELEASED PURSUANT TO ARTICLE VIII.

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THE PLAN, THE PLAN SUPPLEMENT OR RELATED DOCUMENTS, OR IN OBLIGATIONS ISSUED PURSUANT TO THE PLAN, ALL ENTITIES WHO HAVE HELD, HOLD OR MAY HOLD CLAIMS OR INTERESTS THAT HAVE BEEN RELEASED OR DISCHARGED PURSUANT TO ARTICLE VIII.C OR ARTICLE VIII.D, OR ARE SUBJECT TO EXCULPATION PURSUANT TO ARTICLE VIII.F ARE PERMANENTLY ENJOINED, FROM AND AFTER THE EFFECTIVE DATE, FROM TAKING ANY OF THE FOLLOWING ACTIONS: (1) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; (2) ENFORCING, ATTACHING, COLLECTING OR RECOVERING BY ANY MANNER OR MEANS ANY JUDGMENT, AWARD, DECREE OR ORDER AGAINST SUCH ENTITIES ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; (3) CREATING, PERFECTING OR ENFORCING ANY ENCUMBRANCE OF ANY KIND AGAINST SUCH ENTITIES OR THE PROPERTY OR ESTATE OF SUCH ENTITIES ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; AND (4) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS RELEASED OR SETTLED PURSUANT TO THE PLAN.

THE RIGHTS AFFORDED IN THE PLAN AND THE TREATMENT OF ALL CLAIMS AND INTERESTS HEREIN SHALL BE IN EXCHANGE FOR AND IN COMPLETE SATISFACTION OF CLAIMS AND INTERESTS OF ANY NATURE WHATSOEVER, INCLUDING ANY INTEREST ACCRUED ON CLAIMS FROM AND AFTER THE PETITION DATE, AGAINST THE DEBTORS OR ANY OF THEIR ASSETS, PROPERTY OR ESTATES. ON THE EFFECTIVE DATE, ALL SUCH CLAIMS AGAINST THE

DEBTORS SHALL BE FULLY RELEASED AND DISCHARGED, AND THE INTERESTS SHALL BE CANCELLED.

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED FOR HEREIN OR IN OBLIGATIONS ISSUED PURSUANT HERETO FROM AND AFTER THE EFFECTIVE DATE, ALL CLAIMS SHALL BE FULLY RELEASED AND DISCHARGED, AND THE INTERESTS SHALL BE CANCELLED, AND THE DEBTORS' LIABILITY WITH RESPECT THERETO SHALL BE EXTINGUISHED COMPLETELY, INCLUDING ANY LIABILITY OF THE KIND SPECIFIED UNDER SECTION 502(G) OF THE BANKRUPTCY CODE.

ALL ENTITIES SHALL BE PRECLUDED FROM ASSERTING AGAINST THE DEBTORS, THE DEBTORS' ESTATES, THE PLAN ADMINISTRATOR, EACH OF THEIR RESPECTIVE SUCCESSORS AND ASSIGNS AND EACH OF THEIR ASSETS AND PROPERTIES, ANY OTHER CLAIMS OR INTERESTS BASED UPON ANY DOCUMENTS, INSTRUMENTS OR ANY ACT OR OMISSION, TRANSACTION OR OTHER ACTIVITY OF ANY KIND OR NATURE THAT OCCURRED BEFORE THE EFFECTIVE DATE.

*H. Term of Injunctions or Stays*

Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order), shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

**ARTICLE IX.  
CONDITIONS PRECEDENT TO CONFIRMATION  
AND CONSUMMATION OF THE PLAN**

*A. Conditions Precedent to Confirmation*

It shall be a condition to Confirmation that all provisions, terms and conditions hereof are approved in the Confirmation Order.

*B. Conditions Precedent to the Effective Date*

It shall be a condition to the Effective Date of the Plan that the following conditions shall have been satisfied or waived pursuant to the provisions of Article IX.C hereof:

1. The Confirmation Order (a) shall have been duly entered and be a Final Order and (b) shall be in form and substance otherwise acceptable to the ABL Agent and the Term Loan Lenders.

2. Any amendments, modifications or supplements to the Plan (including the Plan Supplement), if any, shall be acceptable to the Term Loan Lenders.

3. All actions, documents, certificates and agreements necessary to implement this Plan shall have been effected or executed and delivered to the required parties and, to the extent required, Filed with the applicable Governmental Units in accordance with applicable laws.

4. The amount of (a) Allowed Administrative Claims, including for the avoidance of doubt, Fee Claims, shall not exceed an aggregate of \$9 million, (b) Allowed Non-Tax Priority Claims shall not exceed an aggregate of \$200,000 and (c) Allowed Other Secured Claims shall not exceed an aggregate of \$200,000, unless otherwise agreed to by the Term Loan Lenders.

5. The Debtors shall have completed all going out of business sales at the Debtors' business locations pursuant to the Store Closing Approval Order.

*C. Waiver of Conditions*

The conditions to Confirmation and to Consummation set forth in Article IX may be waived by the Debtors, with the consent of the Term Loan Lenders, without notice, leave or order of the Bankruptcy Court or any formal action other than proceeding to confirm or consummate the Plan.

*D. Effect of Failure of Conditions*

If the Consummation of the Plan does not occur, the Plan shall be null and void in all respects and nothing contained in the Plan or the Disclosure Statement shall: (i) constitute a waiver or release of any Claims by the Debtors, any holders or any other Entity; (ii) prejudice in any manner the rights of the Debtors, any holders or any other Entity; or (iii) constitute an admission, acknowledgment, offer or undertaking by the Debtors, any holders or any other Entity in any respect.

**ARTICLE X.  
MODIFICATION, REVOCATION OR WITHDRAWAL OF THE PLAN**

*A. Modification and Amendments*

Except as otherwise specifically provided in the Plan, the Debtors, with the consent of the Term Loan Lenders, reserve the right to modify the Plan, whether such modification is material or immaterial, and seek Confirmation consistent with the Bankruptcy Code. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 (as well as those restrictions on modifications set forth in the Plan), and the Debtors, with the consent of the Term Loan Lenders, expressly reserve their respective rights to revoke or withdraw, to alter, amend or modify the Plan with respect to such Debtor, one or more times, after Confirmation, and, to the extent necessary, may initiate proceedings in the Bankruptcy Court to so alter, amend or modify the Plan, or remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement or the Confirmation Order, in such matters as may be necessary to carry out the purposes and intent of the Plan.

*B. Effect of Confirmation on Modifications*

Entry of a Confirmation Order shall mean that all modifications or amendments to the Plan since the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or re-solicitation under Bankruptcy Rule 3019.

*C. Revocation or Withdrawal of Plan*

The Debtors, with the consent of the Term Loan Lenders, reserve the right to revoke or withdraw the Plan before the Confirmation Date and to file subsequent plans of reorganization. If the Debtors, with the consent of the Term Loan Lenders, revoke or withdraw the Plan, or if Confirmation or Consummation does not occur, then: (i) the Plan shall be null and void in all respects; (ii) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain of the Claims or Interests or Class of Claims or Interests), assumption or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void; and (iii) nothing contained in the Plan shall: (A) constitute a waiver or release of any Claims or Interests; (B) prejudice in any manner the rights of such Debtor, any holder or any other Entity; or (C) constitute an admission, acknowledgement, offer or undertaking of any sort by such Debtor, any holder or any other Entity.

**ARTICLE XI.  
RETENTION OF JURISDICTION**

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or related

to, the Chapter 11 Cases and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction to:

6. allow, disallow, determine, liquidate, classify, estimate or establish the priority, Secured or unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the Secured or unsecured status, priority, amount or allowance of Claims or Interests;

7. decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals (including Fee Claims) authorized pursuant to the Bankruptcy Code or the Plan;

8. resolve any matters related to: (a) the assumption, assumption and assignment or rejection of any Executory Contract or Unexpired Lease to which a Debtor is party or with respect to which a Debtor may be liable and to hear, determine and, if necessary, liquidate, any Claims arising therefrom, including Cure Claims pursuant to section 365 of the Bankruptcy Code; (b) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed or assumed and assigned; (c) the Plan Administrator amending, modifying or supplementing, after the Effective Date, pursuant to Article V, the Executory Contracts and Unexpired Leases to be assumed, assumed and assigned or rejected or otherwise; and (d) any dispute regarding whether a contract or lease is or was executory, expired or terminated;

9. ensure that distributions to holders of Allowed Claims and Interests are accomplished pursuant to the provisions of the Plan;

10. adjudicate, decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;

11. adjudicate, decide or resolve any and all matters related to section 1141 of the Bankruptcy Code;

12. enter and implement such orders as may be necessary or appropriate to execute, implement or consummate the provisions of the Plan and all contracts, instruments, releases, indentures and other agreements or documents created in connection with the Plan, the Plan Supplement or the Disclosure Statement;

13. enter and enforce any order for the sale of property pursuant to sections 363, 1123 or 1146(a) of the Bankruptcy Code;

14. resolve any cases, controversies, suits, disputes or Causes of Action that may arise in connection with Consummation, including interpretation or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;

15. issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with Consummation or enforcement of the Plan;

16. resolve any cases, controversies, suits, disputes or Causes of Action with respect to the releases, injunctions and other provisions contained in Article VIII, and enter such orders as may be necessary or appropriate to implement such releases, injunctions and other provisions;

17. resolve any cases, controversies, suits, disputes or Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts owed by the holder of a Claim for amounts not timely repaid pursuant to Article VI.H.1;

18. enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked or vacated;

19. determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement or the Confirmation Order;
20. enter an order or Final Decree concluding or closing any of the Chapter 11 Cases;
21. adjudicate any and all disputes arising from or relating to distributions under the Plan;
22. consider any modifications of the Plan, to cure any defect or omission or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;
23. determine requests for the payment of Claims entitled to priority pursuant to section 507 of the Bankruptcy Code;
24. hear and determine disputes arising in connection with the interpretation, implementation or enforcement of the Plan or the Confirmation Order, including disputes arising under agreements, documents or instruments executed in connection with the Plan;
25. hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code;
26. hear and determine all disputes involving the existence, nature, scope or enforcement of any exculpations, discharges, injunctions and releases granted in connection with and under the Plan, including under Article VIII;
27. enforce all orders previously entered by the Bankruptcy Court; and
28. hear any other matter not inconsistent with the Bankruptcy Code.

**ARTICLE XII.  
MISCELLANEOUS PROVISIONS**

*A. Immediate Binding Effect*

Subject to Article IX.B and notwithstanding Bankruptcy Rules 3020(e), 6004(h) or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan and the Plan Supplement shall be immediately effective and enforceable and deemed binding upon the Debtors, the Plan Administrator and any and all holders of Claims or Interests (irrespective of whether their Claims or Interests are deemed to have accepted the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges and injunctions described in the Plan, each Entity acquiring property under the Plan and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors.

*B. Additional Documents*

On or before the Effective Date, the Debtors may File with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan, which agreements and other documents shall be in form and substance acceptable to the Term Loan Lenders. The Debtors or Plan Administrator, as applicable, and all holders receiving distributions pursuant to the Plan and all other parties in interest may, from time to time, prepare, execute and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

*C. Statutory Committee and Cessation of Fee and Expense Payment*

On the Effective Date, any statutory committee appointed in the Chapter 11 Cases, including the Creditors' Committee, shall dissolve and members thereof shall be released and discharged from all rights and duties from or

related to the Chapter 11 Cases. The Plan Administrator shall no longer be responsible for paying any fees or expenses incurred by any statutory committees after the Effective Date.

*D. Reservation of Rights*

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court enters the Confirmation Order, and the Confirmation Order shall have no force or effect if the Effective Date does not occur. None of the Filing of the Plan, any statement or provision contained in the Plan or the taking of any action by any Debtor with respect to the Plan, the Disclosure Statement or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to the holders before the Effective Date.

*E. Successors and Assigns*

The rights, benefits and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, Affiliate, officer, director, agent, representative, attorney, beneficiaries or guardian, if any, of each Entity.

*F. Notices*

To be effective, all notices, requests and demands to or upon the Debtors or the Term Loan Lenders shall be in writing (including by facsimile transmission). Unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed to the following:

**If to the Debtors:**

Shearman & Sterling LLP  
599 Lexington Avenue  
New York, New York 10022  
Attention: Douglas P. Bartner and Jill Frizzley  
E-mail addresses: dbartner@shearman.com,  
jfrizzley@shearman.com

- and -

Young Conaway Stargatt & Taylor, LLP  
Rodney Square  
1000 North King Street  
Wilmington, Delaware 19801  
Attention: Pauline K. Morgan  
E-mail address: pmorgan@ycst.com

**If to the Term Loan Lenders:**

Kirkland & Ellis LLP  
601 Lexington Avenue  
New York, New York 10022  
Attention: Joshua A. Sussberg, Esq.  
E-mail address: jsussberg@kirkland.com

- and -

Klehr Harrison Harvey Branzburg LLP  
919 Market Street, Suite 1000  
Wilmington, Delaware 19801-3062  
Attention: Domenic E. Pacitti, Esq.  
E-mail Address: dpacitti@klehr.com

After the Effective Date, the Plan Administrator may notify Entities that, in order to continue to receive documents pursuant to Bankruptcy Rule 2002, such Entity must File a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the Effective Date, the Debtors are authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities who have Filed such renewed requests.

*G. Entire Agreement*

Except as otherwise indicated, the Plan and the Plan Supplement supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings and representations on such subjects, all of which have become merged and integrated into the Plan.

*H. Exhibits*

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. After the exhibits and documents are Filed, copies of such exhibits and documents shall be available upon written request to the Debtors' counsel at the address above or by downloading such exhibits and documents from the website of the Debtors' notice, claims and balloting agent at <http://cases.primedesk.com/coldwater> or the Bankruptcy Court's website at [www.deb.uscourts.gov](http://www.deb.uscourts.gov). To the extent any exhibit or document is inconsistent with the terms of the Plan, unless otherwise ordered by the Bankruptcy Court, the non-exhibit or non-document portion of the Plan shall control.

*I. Severability of Plan Provisions*

If, before Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (a) valid and enforceable pursuant to its terms; (b) integral to the Plan and may not be deleted or modified without the Debtors' and the Term Loan Lenders' consent; and (c) non-severable and mutually dependent.

*J. Votes Solicited in Good Faith*

Upon entry of the Confirmation Order, the Debtors will be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code, and pursuant to section 1125(e) of the Bankruptcy Code, the Debtors and each of their respective Affiliates, agents, representatives, members, principals, shareholders, officers, directors, employees, advisors and attorneys will be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale and purchase of Securities offered and sold under the Plan and any previous plan and, therefore, no such parties, individuals will have any liability for the violation of any applicable law, rule or regulation governing the solicitation of votes on the Plan or the offer, issuance, sale or purchase of the Securities offered and sold under the Plan or any previous plan.

*K. Closing of Chapter 11 Cases*

The Plan Administrator shall, promptly after the full administration of the Chapter 11 Cases, File with the Bankruptcy Court all documents required by Bankruptcy Rule 3022 and any applicable order necessary to close the Chapter 11 Cases.

*L. Conflicts*

Except as set forth in the Plan, to the extent that any provision of the Disclosure Statement, the Plan Supplement or any other order (other than the Confirmation Order) referenced in the Plan (or any exhibits, schedules, appendices, supplements or amendments to any of the foregoing), conflict with or are in any way inconsistent with any provision of the Plan, the Confirmation Order shall govern and control.

*[Remainder of page intentionally left blank.]*



Dated: April 11, 2014  
New York, New York

COLDWATER CREEK INC., on behalf of itself and each of the  
other Debtors

By: /s/ James A. Bell  
Name: James A. Bell  
Title: Executive Vice President,  
Chief Operating Officer and  
Chief Financial Officer

COUNSEL:

Pauline K. Morgan (No. 3650)  
Kenneth J. Enos (No. 4544)  
**YOUNG CONAWAY  
STARGATT & TAYLOR, LLP**  
Rodney Square  
1000 North King Street  
Wilmington, Delaware 19801  
Telephone: (302) 571-6600  
Facsimile: (302) 571-1253

- and -

Douglas Bartner (*pro hac vice* admission pending)  
Jill Frizzley (*pro hac vice* admission pending)  
**SHEARMAN & STERLING LLP**  
599 Lexington Avenue  
New York, New York 10022  
Telephone: (212) 848-4000  
Facsimile: (646) 848-4000

*Proposed Co-Counsel to the Debtors and Debtors in  
Possession*